



Daily Report

East Europe

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Izetbegovic Signs Vance-Owen Peace Plan

LD2503210693 Belgrade TANJUG Domestic Service in Serbo-Croatian 2026 GMT 25 Mar 93

[Excerpts] New York, 25 Mar (TANJUG)—The leader of the Bosnian Muslims, Alija Izetbegovic, appeared at United Nations Headquarters in New York, after an almost four-hour delay, to sign the Vance-Owen peace plan.

"Now it is all up to the international community. We are signing," the Muslim leader told journalists.

According to reliable sources, Izetbegovic's delay was due to last minute efforts to win a further concession—that the title president of the Presidency of Bosnia-Herzegovina should appear alongside his signature—which was opposed by Mate Boban [Bosnian Croat leader]. [passage omitted]

Radovan Karadzic is continuing to adhere to the stand that the Vance-Owen maps for the division of Bosnia are unacceptable for the Serbs there and that he is, therefore, unable to sign them.

Karadzic Denounces Maps, To Let Assembly Decide

LD2603011193 Belgrade TANJUG Domestic Service in Serbo-Croatian 2253 GMT 25 Mar 93

[Text] New York, 25 Mar (TANJUG)—"The Muslim-Croatian coalition's acceptance of the demands is the main result of the second round of the New York talks on Bosnia-Herzegovina," said Radovan Karadzic, the leader of the Bosnian Serb delegation, after the plenary session between the representatives of all three sides in the conflict and the cochairmen of the Geneva conference.

The maps of the future provinces and the new document on the organization of power in Bosnia-Herzegovina—according to Karadzic—remain unacceptable for the Serbs.

The Serb delegation concluded that the document on maps was complicated further by the creation of a new province of Sarajevo—enlarged in order to reduce the Serbs in it to the status of a minority.

"We cannot and must not accept this. We will present this report to our Assembly and let it make a decision," said Karadzic.

The Serb side cannot accept the document on the organization of power in Bosnia-Herzegovina in the transitional period because instead of a temporary body that would function during this period, the document counts upon the continuation of the existing Presidency, which lost its legitimacy a long time ago, he said.

Karadzic also said the end of hostilities was the most pressing goal. However, he drew attention to the continuing Muslim offensive in the areas around Doboj, Bihac, and other towns.

Given that on several occasions in the past few days the leader of the Serb delegation had pointed at the absence of readiness on the Muslim side to engage in direct talks as being one of the main problems at the conference, he was asked whether the same thing happened at today's tripartite meeting, the first such meeting since Geneva. "No," replied Karadzic, "there were no talks today; we had a lengthy conversation with the Croats while waiting for several hours for the Muslims to turn up."

Karadzic this evening reiterated that the Serbs would walk out of the conference and insist on their own state only in the following instance: if sanctions against Yugoslavia—which is not responsible for the conflict in Bosnia-Herzegovina—were tightened or expanded.

Asked whether this included a possible lifting of the embargo on arms imports for Muslims, the leader of the Serb delegation replied that, despite the embargo, arms were being delivered to the Muslims and that the lifting of the embargo would only put the Serbs in a position of having to obtain arms themselves.

Karadzic confirmed that he was meeting Russian envoy Vitaliy Churkin once again this evening. He also confirmed that the delegation of Bosnian Serbs would leave New York tonight.

Owen Expresses Pessimism Over Talks

LD2503155993 Belgrade TANJUG in English 1531 GMT 25 Mar 93

[Text] London, March 25 (TANJUG)—The New York talks on Bosnia-Herzegovina have come to a deadlock and chances are slight that the situation will change within foreseeable future, it was assessed here on Thursday [25 March].

Cochairman of the conference on former Yugoslavia Lord David Owen said in a statement to the daily THE INDEPENDENT that the talks have come to a deadlock and that he feared they would fall through.

However, in a statement broadcast by British television stations, he said that without a political, economic and "maybe even military pressure" there can be no progress in the talks among Bosnian Serbs, Croats and Moslems in New York.

British papers write that the voting on the adoption of a United Nations Security Council resolution allowing the use of force in the no-fly zone in Bosnia-Herzegovina was postponed on Wednesday at the request of Russian Foreign Minister Andrey Kozyrev.

Kozyrev said that the request was aimed at giving more time to Lord Owen and Cyrus Vance to find a solution in New York.

British television stations quoted diplomatic sources as saying that the motive for the move was Russian President Boris Yeltsin's wish to avoid further confrontation with his opponents in the Congress of People's Deputies.

who are inclined towards the Yugoslav Republic of Serbia and believe that such a resolution would be one-sided and aimed against the Serbs.

British official sources have not yet officially commented on the suggestion that the leaders of all former Yugoslav republics should again meet at a resumed London conference on former Yugoslavia.

However, sources here have said that the idea was not bad and that something similar would have to be organized if the New York round of talks failed, which seems inevitable at present.

Owen on Serbs' Reluctance To Sign Peace Plan

LD2603113093 London ITV Television Network in English 1900 GMT 25 Mar 93

[Interview with UN peace envoy Lord Owen, by presenter Jon Snow, Owen in New York, Snow in studio, on 25 Mar; from the "Channel 4 News" program—live]

[Text] [Snow] As we have just reported the Bosnian Muslims are reported to be on the verge of signing the UN peace plan for the former Yugoslavia. We are joined now from New York by Lord Owen. Lord Owen, can you just fill us in first of all, where you have reached at this very moment?

[Owen] Well we have been waiting for three and a half hours for President Izetbegovic [Bosnian president] to turn up at a meeting with Dr. Karadzic [Serbian republic of Bosnia president], and with Mr. [Boban, Bosnian Croat leader], which is the first plenary we have had in this round, and I think the chances are almost certain that he will sign both the new revised map and Mr. [Boban] will sign it, and they will both sign an interim agreement in the detail of the interim government and the arrangements. I think Dr. Karadzic is unlikely, in fact almost guaranteed not to sign either, but I suspect he will say that he will take it back to talk to his people in Pale.

[Snow] Now for some reason, the American Secretary of State Warren Christopher, is more optimistic that Dr. Karadzic could sign. In a statement he issued today in Washington, it sounds as if he takes a slightly more optimistic view.

[Owen] Well I have been in the negotiations and he has not. I have just come from a room where I have been for the last three and a half hours with Dr. Karadzic. I would be amazed if Dr. Karadzic was to sign, but as I say I think he will take it away, but I think he is still a long way away from being ready to sign.

[Snow] Now people are bound to ask, will the fact that the Muslim's have signed really make any difference if Dr. Karadzic does not sign?

[Owen] Yes I think it will make a tremendous difference, because I think the [UN] Security Council will now endorse the plan which Mr. Vance and I have put before the parties, fully and unequivocally, and I think that

around this plan you will now find the whole of the international community will mobilize, and I think that there will be considerable pressure put on the Bosnian Serbs now to come around and sign both the map and the interim agreement. Whether they will do so or not depends on the pressure, how it is applied, how Yugoslavia reacts, whether Yugoslavia feels that if they do this they will be able to see sanctions lifted, though no one will lift sanctions until the peace settlement is actually working on the ground and the armed forces of the Bosnian Serbs and the others have moved back away from each other and into the provinces where they are likely to have a majority.

[Snow] The problem here, it seems to be, is how you really reach enforcement once you do get any signatures on the paper, because for example Field Marshall Richard Vincent, Chairman of NATO's Military Committee, told NATO ambassadors yesterday he thought the plan was now completely unenforceable in its present form.

[Owen] Well I think that that is only a rather garbled account of what people said, it was not as I understand it, said in quite those terms, and he was more describing the difficult situation which they face at the moment in taking a look at the situation in eastern Bosnia, it is enough to make anyone despair, with the difficulty with getting the helicopters in, and the lift-off and the very obvious ill feeling, quite apart from the bloody war that is going on there...

[Snow] Well now isn't eastern Bosnia precisely where we most have to test the plan, because so much has changed since you first drafted it before Christmas, I mean Srebrenica surely brings it into very sharp focus, you are talking about an area in which Muslims have been driven out at a furious pace, and in great suffering, and your plan surely talks about putting them back, I mean it is very hard to see how the Serbs will ever agree to that.

[Owen] Well if they won't then we won't get an agreement, and if I may say so, the way that they have tried to clear the Muslims out of eastern Bosnia is an absolute case why it is essential to put very tough pressure on the Serbs to comply with the plan and to the international community, make it unmistakably clear, that they are not going to tolerate this sort of continued action, and that is why we will have to ask Belgrade to do this, and if they do not then they too will face the sanctions of the international community. They are already under sanctions at the moment.

[Snow] Given the shells raining down on refugees coming out of Srebrenica, I mean it really does seem that even people like General Morillon seem to recognize the only thing any of the Serbs in that quarter are going to understand is military force, that seems to be what the international community is still extremely resistant toward providing.

[Owen] Well they are resistant to doing it, but I think you will find it is much easier to contemplate certainly much tougher diplomatic and economic action as a result of

having a plan which is agreed to by the other two parties, and maybe they will consider down the track even military measures, but that is up to governments. What you cannot do is apply any of these pressures effectively in a vacuum, at long last it looks as if we will have a serious and detailed plan which could be applied and I think there is a great deal of difference to applying pressure in a vacuum, whereas now I think we are applying pressure on a real viable comprehensive peace package.

[Snow] Lord Owen we let you get back to your room, and wish you well and hope that President Izetbegovic does sign tonight. Thank you very much.

No-Fly Zone Resolution Postponed Due to Russian Situation

LD2503203293 Belgrade TANJUG in English 1951
GMT 25 Mar 93

["Pool" item—By Dejan Lukic]

[Text] Washington, March 25 (TANJUG)—The postponement of the vote on a new United Nations Security Council resolution authorizing the use of force in the no-fly zone in Bosnia-Herzegovina is temporary, until the position of Russian President Boris Yeltsin becomes clear, TANJUG learned in Washington from sources informed about the Russian official stands.

The U.S. Administration, which backs the draft resolution, accepted the opinion by Russian Foreign Minister Andrey Kozyrev, who is in Washington, that the adoption of the controversial resolution would be an unnecessary burden for Yeltsin in his conflict with parliament.

The United States [word indistinct] the Russian request and assessed that support to Yeltsin had priority at this moment over the Bosnian problem, said a U.S. source.

Well-informed sources said that the main topics at the meeting between Kozyrev and U.S. Secretary of State Warren Christopher in Washington had been the U.S. assistance to Yeltsin and preparations for the Russian-U.S. summit in Vancouver while the problem of Bosnia-Herzegovina had only been mentioned.

As learned, Kozyrev offered assurances to Christopher that Washington can count on full support and cooperation of the Russian diplomacy in view of the Yugoslav question and that Russia would remain a "reliable and predictable" partner.

Christopher on his part accepted Kozyrev's request that the vote on the resolution on the enforcement of the no-fly zone be postponed until the situation in Moscow has cleared.

Butrus-Ghali Rejects Military Intervention

LD2503195793 Belgrade TANJUG in English 1826
GMT 25 Mar 93

["Pool" item]

[Text] Rome, March 25 (TANJUG)—United Nations Secretary-General Butrus Butrus-Ghali said in an interview published in the Rome daily LA REPUBBLICA on Thursday [25 March] that he rejected a possibility of a foreign military intervention in Bosnia-Herzegovina and other regions of former Yugoslavia.

The New York talks are nearing deadlock, but we will continue to negotiate, said Butrus-Ghali. If the talks do not show any progress, a new London conference will be called, said Butrus-Ghali.

The peace process for settling the conflict in the former Yugoslav Republic of Bosnia-Herzegovina began with the conference on former Yugoslavia held in London last August under the auspices of the United Nations.

Italian press on Thursday wrote that, following Russia's request at the U.N. Security Council to postpone the adoption of a resolution on the enforcement of the no-fly zone over Bosnia-Herzegovina, U.S., French and British aircraft, ready to take part in the operation, returned to the NATO airport in Vicenza.

Italians are not disappointed by this. On the contrary, they believe that the use of NATO bases in Italy could provoke a terrorist reprisal by one of the warring sides in Bosnia-Herzegovina.

Head of the Italian military intelligence Cesare Pucci said on Thursday that the "risk of Serbs' revenge" was great, but he did not rule out a possibility of Moslems and Croats doing the same.

World Bank Accepts Croatia, Slovenia as Members

LD2503101593 Zagreb Radio Croatia Network in
English 0905 GMT 25 Mar 93

[Text] The World Bank organization has announced that Croatia and Slovenia have become members of this international organization, and as successors have thus followed on part of what former Yugoslavia left behind. [sentence as heard]. The Federal Republic of Yugoslavia has not, unlike Croatia and Slovenia, filled the criteria to be accepted as a member of the World Bank.

Cabinet Approves EC Association Agreement*AU2503205693 Sofia BTA in English 1540 GMT
25 Mar 93*

[Text] The Council of Ministers approved today the Agreement on Bulgaria's Association to the European Community signed on March 8 by Prime Minister Lyuben Berov in Brussels, and will propose to the National Assembly to ratify it. By April 6 the Foreign Ministry and the Ministry of Trade are to submit to the Council of Ministers a mechanism for coordinating work on European integration issues to serve as a basis of a general programme.

The government gave the Ministries time till April 20 to submit their stands on the necessary legislative measures in implementation of the obligations undertaken by Bulgaria after its association to the EC.

Today the government decided to take steps for joining the Council of Europe Social Development Fund. Prime Minister and Foreign Minister Lyuben Berov was assigned to organize the preparations and the holding of the negotiations on the affiliation of this country to the fund.

Bulgaria will propose Mr. Ilko Eskenazi MP [member of parliament] of the Union of Democratic Forces (SDS) and deputy prime minister in the cabinet of Filip Dimitrov, as member of the International Court in the Hague, the government decided today.

The Council of Ministers approved the new visa agreement signed with Turkey on March 10, 1993 in Sofia.

The government approved a draft agreement on air traffic between Bulgaria and Russia as a basis for holding negotiations. Deputy Prime Minister and Minister of Transportation Neycho Neev was authorized to hold the negotiations and sign the agreement.

Having approved the already coordinated draft agreement between Bulgaria and Denmark on the reciprocal encouragement and protection of investment, the Council of Ministers authorized Finance Minister Stoyan Aleksandrov to sign it.

Commission Says 1990 Assembly Elections 'Rigged'*AU2503160193 Sofia BTA in English 1241 GMT
25 Mar 93*

[Text] Sofia, March 25 (BTA)—The elections to a Grand National Assembly, held on June 10 and 17, 1990, were rigged and void, according to the findings of the parliamentary commission of inquiry into the grand national assembly election records, the commission's chairman, Mr. Georgi Panev MP [member of parliament] of the Union of Democratic Forces (SDS), told a news conference today. Experts who took part in the processing of the tally sheets attended the news conference.

The commission discovered faked tally sheets and systematic and flagrant violations of the Electoral Law, says the commission's report, part of which appeared in yesterday's DEMOKRATSIYA. According to the report, merely 11.5 percent of the tally sheets in multi-member constituencies and 28.2 percent of those in single-member constituencies complied with the requirements for electoral documentation.

The commission found that, compared with the general elections in 1991 and the presidential elections in 1992, there was a suspicious turnout excess of over 500,000 in the parliamentary elections in June 1990. The commission members say this confirms the hypothesis about ghost voters.

The 118-page report will be submitted to the prosecutor general and to the four political forces which were represented in the Grand National Assembly. Two MP's of the Bulgarian Socialist (ex-Communist) Party [BSP] refused to work on the commission back when it was formed. Prof. Dimitur Sepetliev MP of the Movement for Rights and Freedoms (DPS) refused to sign the report.

The report finds that the Grand National Assembly electoral records do not allow a specific determination of its composition both at party and coalition level and with respect to the personification of seats. The report does not name candidates or political forces which backed them. It does not say who gained and who lost from the irregularities.

The experts who took part in the processing of the tally sheets told today's news conference they believed that the election of 40 MP's (10 per cent of the seats) was dubious—with the reservation that this is just a presumption and was not included in the report. According to another presumption, most of the dubious election results were in favour of BSP candidates. The Grand National Assembly, which sat from July 1990 until October 1991, consisted of 210 MP's of the BSP, 145 of the SDS, 23 of the DPS, and 16 of the Bulgarian Agrarian Party (BZNS). The Grand National Assembly dissolved itself without taking a final stand on the legitimacy of its own election.

Mr. Panev did not deny the fact that the commission's findings may serve as arguments to those who challenge the Constitution passed by the grand national assembly.

Zhelev Claims SDS Wants 'To Destabilize Country'*AU2503201093 Sofia 24 CHASA in Bulgarian
22 Mar 93 p 1*

[24 CHASA staff report]

[Text] In an interview on Bulgarian National Radio on 21 March, President Dr. Zhelyu Zhelev stated that the demand for his resignation raised at the last conference of the SDS [Union of Democratic Forces] was an

attempt to destabilize the country. In Dr. Zhelev's view, the Presidency is one of the few institutions capable of withstanding the recent political storms. In the eyes of certain circles, whom Zhelev declined to specify, the president was an obstacle to the insecurity and chaos that they wanted in the country.

According to Dr. Zhelev, the SDS government gave up executive power of its own accord because it was clearly aware of the problems that the state would face during the winter and the social discontent that they would cause. The head of state considered that it is easier to be in the opposition at this juncture. According to the president, the SDS experienced a crisis because it chose the losing alternative for its government.

SDS Alleged To Have 'Wait-and-See' Attitude to Yeltsin

AU2503150693 Sofia KONTINENT in Bulgarian
23 Mar 93 p 6

[Commentary by Georgi Georgiev-Gesh: "Yeltsin in the Calculations of the Union of Democratic Forces"]

[Text] The SDS [Union of Democratic Forces] is acting just like the BSP [Bulgarian Socialist Party] did in 1991, pretending not to hear or understand what was happening in Moscow. In 1991, the tanks in front of the Kremlin kindled atavistic reflexes in the minds of the leaders of the modern left and the hope that Moscow would once again become the earth's "fiery heart." The calculations of the two political forces were different and the BSP's liabilities became the SDS's assets.

The situation is different now that Yeltsin has for the second time staked everything on a single card: all or nothing.

The BSP's position is the same as before, although this time it announced its stance with lightning speed. In its game, the party leaves two doors open so that whichever door closes, it will still have an way out. The Socialists can always join the victorious side.

The SDS maintains a "wait-and-see" attitude, and the move that it wants to make will also have a double meaning. If Yeltsin wins, the SDS National Coordinating Council will accuse President Zhelev of supporting him because he is also striving to achieve presidential rule. If, on the other hand, Yeltsin is removed, then this will be an ace of trumps in support of the theory that Moscow and the KGB are playing the Russian version of the conspiracy hatched in Bulgaria by members of the former State Security.

The SDS leaders dismiss the fate of Russia and the attempts to sever the knot of the pseudo-reforms of the perestroika period as secondary issues when they seek arguments to mobilize the electorate in pre-election skirmishes.

Local Turkish Leaders Accused of Name-Changing Campaign

AU2603083093 Sofia DEMOKRATSIYA in Bulgarian
20 Mar 93 pp 1, 2

[Report by Emil Izmirliev]

[Text] During the past few days, ethnic tension has been growing in Satovcha and Gurmen municipalities.

Since the beginning of March, local leaders of the DPS [Rights and Freedoms Movement] have increased their activity. They are openly and unceremoniously pressurizing the local population to change their names to Turkish or Arab ones. In Kochan village, Satovcha municipality, at the beginning of March documents were prepared to change the names in the passports of 683 persons.

During the last three years, approximately 300 people have changed their names here. The same trend is observed in Vulkosel village, where originally [in the 1984-85 campaign] only 200 persons changed their names, using the suffixes -ev and -ov.

This action was not improvised, but was actually a stage in a comprehensive, methodically planned campaign organized by DPS leaders in this region with the aim of Turkifying local Bulgarian Muslims. The leaders of the campaign are DPS leader and former National Assembly Deputy Shekir Poyuk, Imam Tefik, and Yusuf Dzhudzhov and Nekh Veli, the mayors of Satovcha and Vulkosel village.

Pretending to be concerned, they delude the population into believing that the deadline for changing names by registration—that is, free of charge—elapses on 9 or 10 March. They are scaring people by word of mouth and through advertisements that if they fail to meet this deadline, they will have to pay up to 10,000 leva to change their names. Shekir Poyuk stated this officially in the presence of Imam Tefik and Mayor Dzhudzhov to 200 women during a religious service in Kochan village.

The truth that the deadline for changing names is November 1993 is carefully hidden from the people. Even after this, the court fees for changing names will not be very high.

The posters are supposed to frighten the poorer people and speed up the process of Turkification. I saw such an official announcement giving the "true deadline" as 9 March 1993 in Pletena village, Satovcha municipality. The clear aim is a new "revival process" under the guise of name-changing, which like nothing else can lead to an explosion of tension in the region.

The notable feature of this affair is that the DPS leaders have chosen as the center for their active campaign a village like Kochan, and it is no accident that previously 90 percent of the people here had no desire to change their names. The village is a center of Bulgarian culture; the intelligentsia is strongly represented, yet Mayor Boshnakov does not oppose the DPS's ideas on Turkifying the population.

Klaus Says Sudeten Issue 'Real Problem' for Germany

AU2503143493 Prague CTK in English 1631 GMT
23 Mar 93

[Text] Prague March 23 (CTK)—The problem of Sudeten Germans is not a fundamental theme, but it is nevertheless a real problem for Germany, Czech Premier Vaclav Klaus told journalists on his return from a two-day visit to Germany today.

He added that this topic occupied a mere 36 seconds of his 90-minute discussion with Bavarian Minister-President Max Streibl on Monday [22 March], and was not even touched during his meeting with German Chancellor Helmut Kohl today.

It is true, however, that every tenth Bavarian claims to be a Sudeten German, and thus the issue represents a real problem for every Bavarian politician seeking to succeed in elections, Klaus said.

Regarding his statement Monday that the Czech Republic wants to explain to Sudeten Germans the position of the Czech Government on the problem, Klaus said that it is not yet clear who should do it.

The government cannot do it as it would not be a corresponding partner to discuss claims by nongovernmental representatives of Sudeten Germans. On the other hand, the issue can hardly be solved by a delegation of five West Bohemian mayors as such a level would not be adequate, either, Klaus said.

The Czech Government's stand is that no restitution or compensation claims from before February 25, 1948, would be considered, Klaus added.

Streibl on Monday voiced the Bavarian Government's wish for the Czech Government to enter into talks with Sudeten Germans on their claims.

Czechoslovakia expelled most of its Sudeten Germans after the end of World War II, under President Eduard Benes' decrees approved by the Allies at Potsdam in August 1945.

Zeman Says Havel Sudeten Remark Damaging

AU2503142093 Prague CTK in English 1133 GMT
23 Mar 93

[Text] Prague March 23 (CTK)—Milos Zeman, chairman of the Czech Social Democratic Party (CSSD) criticised today a recent statement by Czech President Vaclav Havel that he himself considers the (post-World War Two) expelling of Sudeten Germans unjust.

Some 2.5 million Sudeten Germans were expelled from Czechoslovakia after the war in accord with the Potsdam Treaty. They have been claiming their property which was confiscated by the Czechoslovak state.

Such statements are ill-considerate [as received] and damage the Czech Republic, Zeman told CTK.

Zeman finds Havel's statement of March 15, when Havel was officially visiting Austria, to be very unfortunate. Even though it was presented as Havel's private opinion, I think the president should voice official stands, not private ones, when on an official, not private visit to Austria, Zeman said.

It would be much more reasonable if Havel expressed himself in accord with the Czech Republic's official stands, he stressed. The Czech Government has unambiguously said that property restitution will not go beyond February 25, 1948, when communists seized power in the country. Opposite statements can be always explained as a silent approval of the Sudeten Germans' property claims, Zeman noted.

Conditions Set on Property Dispute With Slovakia

LD2503232093 Prague CTK in English 2201 GMT
25 Mar 93

[Text] Prague March 25 (CTK)—The Slovak Government would have to demonstrate a willingness to conclude agreements on all Czech-Slovak property disputes before Prague would reverse its decision to block the transfer of shares in Czech companies to Slovak investors, the Czech minister for privatisation, Jiri Skalicky, told journalists today.

At issue is the division of federal property from the former Czechoslovakia between the two successor republics: Slovakia and the Czech Republic.

Responding to a question by CTK, Skalicky named several thorny issues: relations between the Czech and Slovak national banks, the division of the Transgas Corporation, which imports Gas from Russia and the division of claims against the former Soviet Union.

In Bratislava, representatives from the Slovak board overseeing coupon privatisation said today that shares in Slovak enterprises would be distributed to investors who acquired them during last year's first wave of coupon privatisation starting April 5.

A stock exchange is to begin operations in Bratislava on April 6, they announced.

Zeman Says Share Decision 'Fuelled' Conflict

AU2503142893 Prague CTK in English 1239 GMT
23 Mar 93

[Text] Prague March 23 (CTK)—The Czech Social Democratic Party (CSSD) rejects attempts by the Czech Government to escalate conflicting relations with Slovakia. Milos Zeman, the CSSD chairman, said at today's press conference.

The Czech Government's decision to suspend the transfer of the shares of the Czech enterprises to Slovak investment coupon holders, has fuelled the conflict with Slovakia, said Zeman.

Reacting to a remark that the suspension of the shares transfer also affects the Czech investors, Zeman replied that the Czech investment coupon holders have been innocent victims. The genuine reason for the halt in the shares transfer is, according to Zeman, the settlement of the property relationships between the Czech Republic and Slovakia.

Zeman called the coupon privatisation an untested experiment devoid of sense. Not a single state enterprise has been privatised under this method, although this method had been recommended two and a half years ago as the fastest one. If then our proposal to copy the American ESOP method (privatisation based on employees coownership) would have been accepted, at least two-thirds of the state enterprises would have been privatised by now, said Zeman in an interview with CTK.

Fall in Farm Trade With Slovaks Causing Problems

AU2503143093 Prague CTK in English 1237 GMT
23 Mar 93

[Text] Prague March 23 (CTK)—Trade in agricultural commodities between the Czech Republic and Slovakia has been decreasing, said Czech Deputy Premier and Minister of Agriculture Josef Lux at a press conference here today.

The Czech Agricultural Ministry will conclude agreements with Slovakia on agricultural commodities trade and the State Fund For Market Regulation in Agriculture (SFTR), as well as other agreements concerning the preparation of technical norms in relation to the European Community (EC). Lux is scheduled to meet with his Slovak counterpart, Peter Baco, on Thursday [25 March].

Lux said that more agricultural commodities are exported from the Czech Republic to Slovakia than vice versa, so the decrease in trade is disadvantageous for the Czech Republic. In addition, formal arrangements concerning, for instance, the State Veterinary Administration, still exist, reducing the space available for mutual trade, he said.

Under these circumstances every interested enterprise must find a market for its products on its own, he said, adding that the state can offer its aid through the SFTR.

Details of Foreign Investment Released

LD2503174293 Prague CTK in English 1621 GMT
25 Mar 93

[Text] Prague March 25 (CTK)—Foreign investment in the Czech Republic totalled 2.18 billion USD between

November 1989 and the end of 1992. Czech Industry and Trade Minister Vladimir Dlouhy disclosed today at the unveiling of the Czech Agency for Foreign Investment, to be called Czechinvest.

German investment accounted for 39.9 per cent of that total, followed by investment from the United States (21.1 per cent), France (14.6 per cent), Austria (6.6 per cent) and Belgium (5.8 per cent).

Transport received 29.4 per cent of foreign capital, the banking sector 10.5 per cent, building and trade 12.7 per cent and industry 11.7 per cent.

Czechinvest's director, Jan Amos Havelka, said the Czech Republic was in second or third place with Poland in the amount of foreign investment it had received among the countries of eastern Europe.

Dlouhy said the Czech Government was not considering granting special advantages to selected foreign investors. He said publicising business and investment opportunities, as a whole was a more effective strategy.

Czechinvest, which has a startup capital of five million crowns (about 170,000 USD) will acquaint foreign businesses with investment opportunities in the Czech Republic and attempt to find suitable Czech partners for foreign firms who seek to do business in the Czech Republic.

The Czech National Bank estimates last year's foreign investment in the Czech and Slovak Republics to be 33.6 billion crowns (about 1.16 billion USD), of which 92 per cent went to the Czech Republic.

A report issued by the bank's economic institute says that loans from abroad were also a significant source of income. By the end 1992, the former Czechoslovakia had borrowed 44.3 billion crowns (about 1.53 billion USD) from the International Monetary Fund. By the same period, the former Czechoslovakia had borrowed 7.3 billion crowns (about 250 million USD) from the G 24 countries [as received], and a further 4.5 billion crowns (about 155 million USD) from other countries through bilateral agreements.

The European Community (EC), in addition, issued Eurobonds worth 13 billion crowns (about 445 million USD) to provide financial support for the former Czechoslovakia.

Czech and Slovak businesses received direct loans from foreign banks worth 16.8 billion crowns (about 590 million USD), the bank publication states.

Klaus on Trade Imbalance With Russia, Debt Claims*LD2503223893 Prague CTK in English 2104 GMT
25 Mar 93*

[Text] Prague March 25 (CTK)—The Czech Government's economic ministers discussed the securing of oil and gas imports for the Czech Republic at their regular cabinet meeting today, Czech Premier Vaclav Klaus said after the session.

Klaus said the Czech Republic was preparing a trade agreement with Russia which should be signed during Industry and Trade Minister Vladimir Dlouhy's visit to Moscow at the beginning of April.

Cabinet ministers also discussed ways of promoting Czech exports to Russia while reviewing the possibility of using Czech financial claims against Russia to at least partially offset Russian claims against the Czech Republic.

Klaus pointed to the trade imbalance between the two countries. Current Czech exports to Russia only make up 10 per cent of Prague's total exports, while imports from Russia constitute 25 per cent of Prague's total imports, he said. Financial claims by the former Czechoslovakia against the former Soviet Union totalled 4.9 billion dollars at the end of September 1992.

Klaus said it seemed to have become essential to have the so-called Paris Club of Creditors assume the Czech Republic's claims against Russia.

Prague's chances to accomplish something on its own were already small, he said.

The Paris Club, established in 1956, unites creditor nations and attempts to negotiate debt repayments on the part of developing countries.

Parliament Approves Asylum Policy*LD2503213193 Prague CTK in English 1241 GMT
25 Mar 93*

[Text] Prague March 25 (CTK)—The Chamber of Deputies of the Czech Parliament today approved the Czech Government policy pursued in talks with the German Government on the return of asylum applicants from Germany to the Czech Republic, the migrants' country of transit.

Czech Interior Minister Jan Ruml informed the legislators of the meeting of the interior ministers from Austria, the Czech Republic, Hungary, Poland, Slovakia and Slovenia in Prague on March 16.

He said it was not possible now to seek the signature of a multilateral agreement on returning illegal migrants to their countries of origin.

The six countries will not shoulder responsibility for the foreigners who entered their territories from Germany before the German asylum law amendment, Ruml said.

He singled out as a priority task the conclusion of bilateral agreements with Poland and Hungary, protection of the border with Slovakia designed to hold up the influx of migrants from third countries, and bringing into harmony of asylum legislation in the countries involved in the problem.

Germany is interested to open talks on a Czech-German agreement on the return of illegal migrants to start immediately, but the Czech Republic rejects this, Ruml said.

He added that the Czechs would not sign an agreement which they were not capable of fulfilling. The agreement is to be drafted by a joint commission of experts which is to be set up within three months.

Czech Premier Vaclav Klaus briefed deputies on his German trip earlier this week. He quoted German Chancellor Helmut Kohl as saying that he believes the Czech Republic might join basic European structures in the late 1990s without unconditionally waiting for the other post-communist countries.

Klaus said that he clearly explained his stand on Germany's new asylum law to his German partners. He considers the problem not to be a Czech-German one but one between the Czech Republic and the east. At issue are not the agreement's technical details, but how to solve the whole question lying east of us, Klaus stated.

The task of taking further steps to ease the situation and help find a solution, as expressed by Kohl, rests neither in Czech-German relations nor with the two countries' interior ministers, Klaus said. It is a task for the foreign policy toward the countries situated east of the Czech Republic, including Slovakia, he stressed.

Jiri Payne, deputy from the Civic Democratic Party (ODS) supported the idea of creating a regular state border between the Czech Republic and Slovakia, just because of illegal crossings by people. If the border remained open, the Czech Republic would also bear responsibility for those borders which are not its own, Payne pointed out.

Kocarnik, Tosovsky Consider Monetary Policy*AU2503200893 Prague HOSPODARSKE NOVINY in
Czech 24 Mar 93 pp 1, 2*

["sk. rop"-signed report: "Gateway to the World of Finance"]

[Excerpt] "The government does not intend to directly interfere in the activity and strategy of commercial banks and financial institutions in the sphere of their credit policy, not even in the future," Ivan Kocarnik, Czech deputy prime minister and minister of finance, told

yesterday's news conference in Brno, held on the occasion of the opening of the second international FIBEX exhibition for financial, banking, and insurance services.

"The financial, banking, and insurance business is the bloodstream of the transformation process. The enormous proliferation of banks in the last two years has contributed to the steady increase in the share of the private sector in the generation of the gross domestic product [GDP]," Ivan Kocarnik said. Assessing the present state of these key branches of the economy, he stressed that the dynamic development of the banking and financial sector became the springboard for the favorably developing economy of the Czech Republic last year. At the same time, he pointed out that the commercial banks' deeply ingrained practices were standing in the way of accelerating payments among businesses and that the banks were too cautious in their credit policy.

Richard Salzmann, general director of the Komerční Banka [Commercial Bank], challenged this statement when he said: "In the opinion of some foreign banks, we are too careless in providing for risks." According to Richard Salzmann, one of the conclusions from the international audit that Komerční Banka recently underwent was that this bank should use a much greater proportion of its profits to boost its reserves rather than to extend loans. The speed of payments is up to the international standard, he said, because financial transactions between branches of the same bank take up to 24 hours, and transactions between different banks up to three days.

Czech National Bank [CNB] Governor Josef Tosovsky drew attention to the fact that our commercial banks were embarking on the difficult period of restructuring in the entrepreneurial sphere, which will undoubtedly bring with it a series of bankruptcies. In this context the CNB, together with the government, will try, by means of mutual dialogue, to make financial institutions participate to a greater extent in the distribution of entrepreneurial risks with domestic enterprises. Minister Kocarnik added to this that the government's endeavor was to support the banks during bankruptcies of enterprises by boosting their capital stock from the resources of the National Property Fund and some guarantee institutions, the establishment of which is planned for the very near future. "It is not our aim for the banks to go bankrupt in the future," Ivan Kocarnik said.

The improved evaluation of the Czech Republic's credibility in the latest study of the Moody's Investors Service, in which our rating changed from the "speculative" category to the "investment" category, is regarded by Josef Tosovsky as a very positive signal for increasing foreign investors' activity on our market. According to the CNB governor, the GDP is projected to increase about 2 percent this year while the inflation rate is expected to be around 15 percent. The CNB governor reckons with an equilibrium or a slight surplus in the balance of the current account.

Asked by HOSPODARSKE NOVINY whether it was possible to expect any weakening of the restrictive monetary policy and a cut in interest rates this year, the finance minister said that our overall economic policy was sufficiently liberal, in view of the ongoing transformation process.

"The chief goal is the creation of monetary reserves, the rate of interest is an indicator of only a secondary importance in this regard," he stressed. Governor Tosovsky noted that the central bank's most important task today was to control inflation and maintain a healthy and stable currency.

Assessing present Czech-Slovak economic relations, Josef Tosovsky pointed to the fact that questioning Slovakia's debt of 24.7 billion korunas [to the Czech Republic], resulting from the division of the balance of the former Czechoslovak State Bank [SBCS], was devoid of any rational grounds. "More than 90 percent of the increase in SBCS deposits in 1992 originated from Czech sources while refinancing credits increased at a proportion of roughly two to one. It is this difference that accounts for Slovakia's aforementioned debt," Ivan Kocarnik said.

The government reckons with a decline of mutual trade by a maximum of 25 percent this year. [passage omitted]

Dlouhy Views Prospects of Trade With Slovakia

AU2603082093 Prague MLADA FRONTA DNES in Czech 24 Mar 93 p 14

[Interview with Industry and Trade Minister Vladimir Dlouhy by Blanka Ruzickova; place and date not given: "Trade With Slovakia Keeps Declining; Vladimir Dlouhy: We Cannot Afford a 50 Percent Drop"]

[Text] Trade with Slovakia has declined to almost one-half [of its previous level] and its unfavorable development continues. The decline of mutual trade in the wake of the currency separation and the threat of a "trade war" raise a number of questions. We put them to Industry and Trade Minister Vladimir Dlouhy:

[Ruzickova] How severe is the drop in trade with the Slovak Republic?

[Dlouhy] In the first two months of the year it represented 40 percent, compared with the same period in 1992. The drop for the entire first quarter will definitely be much greater than we can afford, when this drop is translated into the annual average. But only one month and a half have elapsed since the currency separation and less than three months since the division of the federation. This development could therefore be a temporary reaction, triggered, for example, by suspension of trading as a result of devaluation speculations.

[Ruzickova] According to expert calculations, a 10 percent drop in exports translates into a 1 percent drop of the Czech Republic's gross domestic product [GDP].

[Dlouhy] The figures on impact on GDP pertain to the whole year. Although the unfavorable development has not yet been halted, I think that the drop for the whole year will not be so big. The Czech and Slovak economies are so intertwined that they cannot afford a 50 percent drop in trade. It is therefore premature to relate the decline of exports to estimates of the GDP level.

[Ruzickova] A further reduction of Czech trade with Slovakia could occur after the introduction of the planned import surcharges in the Slovak Republic.

[Dlouhy] An import surcharge will naturally aggravate conditions for Czech exports to Slovakia. However, it is a measure that must be understood as an endeavor to protect the balance of payments and the Slovak Republic's foreign exchange reserves.

[Ruzickova] Has the Slovak side presented its ideas to you?

[Dlouhy] My original agreement with Minister Ludovit Cernak was that he would prepare material for a meeting of the Customs Union Council, which we were planning for the end of the week.

[Ruzickova] How does GATT [General Agreement on Tariffs and Trade] view the [contemplated] introduction of the import surcharge?

[Dlouhy] What matters for GATT is the IMF's stance. Slovakia has already entered into negotiations with it. The decisive thing is that the import surcharge should really be only a protection of the balance of payments. In my opinion, the import surcharge will not be allowed to be of a discriminatory nature from the territorial and commodity viewpoints. In other words, it should not apply only to some countries, and the range of goods subject to it should also be as broad as possible.

Klaus Opposes 'Hasty' Decision on Status for Moravia

AU2503161393 Prague MLADA FRONTA DNES in Czech 22 Mar 93 p 1

["jh, CTK"-signed report: "Moravia Is Waiting for Territorial Division"]

[Excerpts] Borsice—Prime Minister Vaclav Klaus is opposed to a hasty decision on the territorial and administrative arrangement of the Czech Republic. He said this after a meeting of the South Moravia Civic Democratic Party [ODS] Regional Council at Borsice near Buchlovice yesterday. Klaus said that the utmost limit for passing the appropriate constitutional law was the time before the communal elections. Relations with the Slovak Republic, the law on bankruptcy, and the law concerning church property are more important than the territorial division of the Czech Republic, according to Klaus. [passage omitted]

Prime Minister Klaus rejected comparisons between the formation of the so-called Moravian-Silesian Land Government and the talks held by the mayors of some towns and communities from central Moravia about establishing regional entities. He was reacting to the view of Movement for the Self-Governing Democracy of Moravia and Silesia [HSDMS] Chairman Jan Krycer, who had described both these activities as equally illegal. "No one claims the right to establish this region by the mayors' decision. We are looking for natural mutual sympathies among the inhabitants of regions and are trying, as much as we can, to find a solution that would not be directed against the interests of citizens. I consider this natural and in accord with the legal system," Vaclav Klaus said. "This is absolutely correct, regardless of what Messrs Krycers and Drimals [reference to Moravian National Party Chairman Ivan Drimal] may say," he added.

ODS, ODA Struggle for Control of Secret Service

AU2603075093 Prague MLADA FRONTA DNES in Czech 24 Mar 93 p 2

["ben"-signed report: "The Coalition Partners' Dispute Over the Post of Secret Service Director Continues"]

[Text] Prague—The dispute among government coalition members over the post of director of the Security Information Service [BIS] continues. We obtained this information, which is at variance with the published results of Monday's [22 March] meeting of the deputy chairmen of the Civic Democratic Party [ODS], Civic Democratic Alliance [ODA], Christian Democratic Union-Czechoslovak People's Party [KDU-CSL], and the Christian Democratic Party [KDS], from a source close to the ODA leadership yesterday. However, in an interview for MLADA FRONTA DNES yesterday, ODS Deputy Chairman Petr Cermak denied this. According to him, at their meeting on Monday the coalition parties' deputy chairmen arrived at an agreement on filling leading positions in the central bodies of state administration. KDU-CSL Deputy Chairman Jan Kasal, also denied that the meeting of the coalition parties' deputy chairmen on Monday ended in disagreement.

According to our sources, however, both the ODS and the ODA still strive to have the post of director of the intelligence service held by their own men. The ODS, as we learned yesterday, does not intend to change anything in the BIS leadership. The ODA, on the other hand, regards the ODS's position as a violation of the supplement to the coalition agreement. The ODA does not intend to ease up on its demands, either.

On Monday, we learned from the participants in the meeting of the coalition parties' deputy chairmen that they had agreed on who should be director of the secret service. This agreement supposedly only needed to be approved by the ODS, ODA, KDU-CSL, and KDS political bodies and chairmen.

Furthermore, it transpired from yesterday's information, that the deputy chairmen of the four government coalition parties agreed that KDS Chairman Vaclav Benda should not be appointed general inspector of the army. It is not out of the question, however, that he will be offered director of the Czech Statistical Office. The position of general inspector of the army should go to the ODA, most probably to Vladimir Suman.

At their meeting on Monday, the coalition parties' deputy chairmen also agreed that negotiations on the position of director of the Independent Control Office [NKU] should take place only after the respective law has been passed. In the parliamentary lobbies, one spoke yesterday about Vaclav Perich (KDS), a former Federal Assembly deputy, as a "hot candidate" for that post.

According to information that we obtained yesterday, at their meeting on Monday the deputy chairmen of the coalition parties were also unable to agree on whether the post of coordinator of Czech secret services, a post currently held by Prime Minister Klaus, should be held by a member of the present cabinet or by another person who would expand the cabinet. If the talks among the political bodies of the government parties conclude that the cabinet will be expanded to include this position, then the ODA would lay claim to it. On the other hand, ODS Deputy Chairman Petr Cermak claimed yesterday that having the prime minister perform the duties of coordinator of secret services suited all the participating parties.

Another round of talks on these personnel issues is to be held tomorrow.

Baudys Views Army Personnel Issues

AU2403202993 Prague TELEGRAF in Czech
23 Mar 93 pp 1, 9

[Interview with Defense Minister Antonin Baudys by Pavla Gruenthalova; place and date not given: "What Is the Price for the Existence of a Democratic, Combat-Ready Army?"]

[Text] [Gruenthalova] Mr. Baudys, reports have recently appeared in the Russian press about a Czech officers' rebellion against the new defense minister's personnel measures and his personnel policy.

[Baudys] These reports were apparently based on an article in RUDE PRAVO, which hinted at some kind of disagreements between myself and [Chief of General Staff] General Pezl and referred to some across-the-board purges that I was supposedly preparing. The only thing I can say on this matter is that there have never been any conflicts and differences of opinion between myself and General Pezl on this point. Nor do I know of any disagreements and rebellions among the officers. I have never planned any across-the-board purges. In other words, all these reports are sheer misinformation and pursue an obvious aim—to discredit the efforts to establish a new Army based on different

principles from those of the old army, whose structure and system still correspond to the regime that used to rule here.

[Gruenthalova] You made it clear recently that you are familiar with the report of the so-called presidential commission, which investigated developments in the Army after 17 November [1989]. No conclusions from this report have yet been drawn and many of the organizers of those events in the Army are still on active service. Let me mention, at random, General Duchacek, General Vintr, and so forth. How will you deal with this situation?

[Baudys] First of all, I would like to say that I do not have the original of that report, I only have a copy of it and do not know to what extent this copy is complete or incomplete.

The public may not know exactly what this report of the CSFR president's commission actually is. This commission, which had about eight members, was to ascertain whether the Czechoslovak Army Command intended to use sections of the armed forces against the citizens in November [1989] and whether the Army was getting ready to put those intentions into practice.

At the same time the commission was to check the scope and purpose of the orders issued in those days and to ascertain and examine their source. The commission's assignment was thus absolutely clear—to ascertain whether anyone—and, if so, who—initiated, supported, and was preparing to misuse the Army against the people of this republic.

The report traces in relatively small detail what happened on individual days during this period, but it does not specify what all those individual operations, such as Operation Norbert and the like, actually represented. The report also does not state very clearly who, that is, which names, were behind it. What we need to know is who did what on the basis of an order issued by whom, and suchlike.

The authors of the report attempted some kind of a general reconnaissance of the terrain and arranged what information and background materials they had. It is apparent, however, that the information they had was insufficient or that someone was trying to obscure the facts for them. I am convinced that it is necessary to wind up the whole matter and to ferret out the people in the background, to name them, and to draw from it, first and foremost, legal conclusions, insofar as criminally liable acts were concerned, as well as moral conclusions, that is, condemn these people morally. This is why I greatly appreciate parliament's initiative in this regard. Even before the parliamentary commission was set up to investigate these operations, I spoke about this possibility with Deputy [Vladimir] Suman [chairman of the Chamber of Deputies' Committee for Legal Protection and Security] and Mr. Sejfar [from the Presidential Office] and told them that I would regard parliament's participation in this matter as a great help.

As for the names that you mentioned, I would not like to comment on any names for the time being, because I would prefer the parliamentary commission to do that first. The concluding statements in the report of the presidential commission contain formulations such as "the Czechoslovak Army Command issued the order," or "the Army Command adopted an unanimous stand on," or "the Army was being systematically prepared to fulfill in terms of personnel as well as technically and organizationally," and the like. True, some names are mentioned, but the list is incomplete. It is therefore necessary for the parliamentary commission to take up the case again and to investigate the whole matter in an exhaustive manner.

I would like to stress one more thing that startled me immensely: On 22 November 1989, Minister Vacek [as published; Miroslav Vacek was not appointed minister of defense until December 1989] issued the order that all documents, guidelines, and measures be sealed and filed away. By his order dated 28 March [1990], Chief of General Staff Slimak had these documents destroyed at all levels, with the exception of military districts. I cannot imagine the chief of General Staff issuing such an order without obtaining the defense minister's consent. Any liquidation of such documents in itself can cover up a crime. Let me point out that until recently General Slimak worked at the Military Command West. It is incomprehensible to me that such people could serve in the Army until the end of last year.

This example illustrates that one has failed to draw the appropriate consequences even from those conclusions of the commission that are absolutely clear, evident, and conclusively proven.

[Gruenthalova] Why is it necessary, three years after November [1989], to set up a parliamentary commission to investigate those events? Why do you not investigate them yourself, as minister of defense?

[Baudys] Of course, I could have established a commission to deal with this, but that would have been an internal solution. A far more effective way, in my opinion, is to have this done by the legislative body that has all the necessary powers and the requisite political weight and this should also serve as a guarantee of impartiality.

[Gruenthalova] The public does not understand why members of the Military Counterintelligence Service (VKR), which was part of the State Security Corps [StB], do not fall under the screening law and why the results of their screenings were all negative. It was not until March 1990 that they were transferred from the StB to the Army's jurisdiction by Minister [of Interior] Sacher. VKR members continue to serve in the Army. How can this situation be dealt with?

[Baudys] We considered this situation from every possible angle, looking for a suitable solution. We found out that some of them, precisely those who could be described as relatively "big fish," had slipped past the

screening law. We have found only one solution that is just. Within the framework of the Czech Army's new concept, a new Czech Army will be built as of 1 July 1993 through the system of general reorganization. In this context, every officer will be interviewed about his past, present and future work, with a view to making adequate use of him in the new Czech Army. It goes without saying that we do not want to focus only on the officers' moral and professional qualities but, first and foremost, on the usability of those who worked as political officers and who were very active in military counterintelligence (I am not thinking of technical specialists or the like).

[Gruenthalova] These will be some kind of aptitude tests, or whatever other name we choose to give them. But such tests already took place in the Army once and it is known how they ended—very miserably. Are there enough people in the Army from whom it is possible to set up truly competent and objective independent commissions, capable of assessing these matters?

[Baudys] It will be a problem, but there is nothing else we can do, we have no choice. I would not assess this as new screenings, but as interviews and tests of officers' aptitude for service in the new Czech Army.

[Gruenthalova] The experience from previous aptitude tests is that officers evaluated one another's performance and definitely "did not harm" one another. Owing to the interlaced relations among officers and, possibly, their shared feeling of guilt, these aptitude tests failed to achieve their purpose. Is there a guarantee that this failure will not repeat itself? Are you reckoning on assistance from parliament, for example?

[Baudys] The problem of the commissions' objectivity is a complex one and absolute objectivity is impossible to guarantee. It is a general problem, just like the problem of nomenklatura cadres, even though their concentration in the Army was possibly somewhat greater. But I do not see any other way of carrying this out. We must try to find suitable people for these interview groups, a term that I prefer to the term commissions. I would naturally welcome the participation of members of parliament.

[Gruenthalova] According to public opinion, there are still many people in the Army who have no business being there. I am of the opinion that the personnel composition of our officers' corps also displays a certain discrepancy with our wish to join NATO. Do you think that NATO will take us seriously with such a personnel structure?

[Baudys] There exist certain fundamental prerequisites, without which it is not possible for NATO member states even to consider something like our NATO membership. One of these is for the Army to be functional and reliable and for all its leading representatives to have a clean record. This will be a long-term process, however. Just as the cleansing of the Army, like that of the whole of society, may be a question of 10 years, so our entry into NATO could be a question of the third millennium. The state of the Army reflects the state of society.

[Gruenthalova] In October 1992, Chief of the General Staff Karel Pezl recommended General Divis, former chief of the Army's Administration for Foreign Relations, as one of the advisers for the Commission for Disarmament in Vienna. General Divis is, among other things, the author of a book, published in 1988, on how capitalist military technology is trailing behind. Is this "indispensable expert" still in Vienna?

[Baudys] Mr. Divis was delegated to Vienna by the Ministry of Foreign Affairs and not by the Ministry of Defense. I have already discussed this issue with Minister Zieleniec. As far as I know, the case will be dealt with. I have submitted a proposal that also other delegates be recalled, delegates who were there on behalf of the Ministry of Defense, and I have already appointed new representatives.

[Gruenthalova] When I spoke to Chief of General Staff Pezl some time ago and asked him how General Duchacek can possibly remain in the Army in a high-level position, one of the reasons he gave was that General Duchacek deserved great credit for the departure of Soviet occupying forces. To me, this does not seem to be to General Duchacek's particular credit. Will General Duchacek stay in his post?

[Baudys] General Duchacek worked as chief of our commission for the division of the Federal Army's property between the Czech and Slovak Armies. I have issued an order that he be recalled and replaced by someone else. General Duchacek is retiring at his own request.

[Gruenthalova] Almost three months have elapsed since you took office. How do you feel as minister of defense?

[Baudys] The deeper I delve into the problems of this department, the more the entire complexity of the Army's problems surfaces. We are being forced to do many things all at once and too quickly. The Army is a gigantic machine and any reorganization and change of direction is a complicated and long-term process. I am confident, however, that we will succeed in accomplishing our main objectives, that is, to create a new structure for the Army, the General Staff, the Ministry of Defense, and the ties among them; to establish Army units that are faster and more mobile; to establish a new system of logistical support, and so forth.

We must also uncover all financial escape routes and gaps that result from inadequate organization. I hope that we will also be successful in personnel policy and that we will manage to find competent and honest

officers for responsible positions. I am convinced that there are many of those throughout the Army.

[Gruenthalova] One issue that is outside the Army's potential is that of material supplies. Related to this are the possibilities of the Army's reequipping.

[Baudys] We are drafting a concept for reequipping the Army. There are two versions of it, an optimal and a minimal one, from the viewpoint of demands on the budget. The minister of finance has already let me know via the media that we are going to get less money for the Army next year. We shall present what needs to be done for the Army to be functional.

[Gruenthalova] How is the public's attitude toward the Army evolving, in your opinion? Some people think that we do not need an army.

[Baudys] Many people write to me and say at panel discussions that we have never needed an army and will never need one, that having an army is a waste of money that could be used for something that is more needed and more reasonable. These words sound nice and they are rational at first sight. Unfortunately, the truth is completely different. Every sovereign state must have an army, it is one of the instruments of its foreign policy. We must be capable of defending ourselves against a comparable enemy and, in other situations, be capable of defending ourselves within the framework of collective treaties and within the framework of an integrated defense system. No one will admit us into any integrated defense system if we do not have a well-functioning army that will be an effective part of this integrated system. I consider the view that we do not need an army to be not only absolutely absurd and misguided but also extremely dangerous.

The Army must, of course, make ends meet with the budget allocated to it by parliament. Everyone must consider very carefully, however, whether the Army is financially provided for so that it appears as a reliable partner when viewed from the outside. This naturally costs money and it is now up to us to adopt measures that will guarantee the very economical use of the money that the Army receives.

On the one hand, the Army must shrink in size, something to which we are committed by international treaties; on the other hand, we realize that this will work also the way round, that is, that the numbers of unemployed from the Army's military and civilian sectors will complicate the economic situation in other spheres. If this is the price that we must pay to build a new, democratic, and combat-ready Army, then we must accept it.

Meciar Blames Former Government for Ills

AU2503160793 Bratislava PRAVDA in Slovak
19 Mar 93 p 11

["Excerpts from the Minutes Recorded in the National Council of the Slovak Republic" on 17 March: "What We Heard at the 17th Session of the National Council of the Slovak Republic; Vladimir Meciar Replies to Deputies' Interpellations"]

[Text] The relationship between the government and the National Council of the Slovak Republic is very important because it is a relationship between two constitutional bodies that have a decisive influence on the life of the citizens. Since the old National Council rules of procedure are still in effect, and the system of this relationship is not sufficiently developed in accordance with the new Slovak Constitution, many issues affecting the relationship are not clearly defined. Therefore, I appeal to you, let us pay proper attention to this relationship, and to the practical implementation and recognition of the existence of the division of state power, understanding that this power is displayed as separate forms of power. The government is not an office of the National Council but rather one of the components of power, it is the supreme executive body just as you are the supreme legislative body. We must respect this position. It is necessary to respect these matters in more than one issue—as interpellations with their content often aimed at an activity in the domain of the National Council. Regarding the submission of new bills, the government has this right—and it is not a duty—and you have the same right of initiative. It does not make a good impression if a deputy instigates the government to initiate law that he himself could initiate. We can divide the work here.

As far as the question of the presence of cabinet members at National Council sessions and your passing appropriate resolutions in this respect is concerned, go ahead, we respect the National Council, we respect these conclusions but, please, do understand our position as defined in the current rules of procedure, we cannot sit here like waxwork figures, and you cannot limit by resolution the right of a cabinet member to speak up and comment on your contributions. That is a violation of our right. Therefore, let us mutually honor our rights and let us respect one another. There are many interpellations but let us turn to their content. We are glad you are interested in the life of society, we are glad you check on the government's work but the cabinet cannot deal with local problems. The government can do nothing about a political opinion. It is not feasible to interpellate the prime minister regarding the views of the movement of which he is a member, because it is a matter of the relationship with the movement rather than a matter of the relationship between parliament and government. We are gradually clarifying the substance of these relations. We are a state and do not have enough experience in this respect, so let us have a reasonable division of labor, a reasonable cooperation to the benefit of us all.

I will not take a detailed stand on the questions raised at your session—I will respond in writing to most of them—but I would like to answer one question raised by the deputy Carnogursky's interpellation that we should continue from where he and his government stopped.

I want to assure the Slovak Republic and you deputies that we will never take the road deputy Carnogursky took. It is the road to nowhere—to destruction. Regarding the proposal that we do this, let us consider the state to which the movement then in power, and the then government, brought this republic. In 1991, at the time the government was recalled, the treasury had a surplus of almost 4 billion [korunas]. At the end of the very same year, a deficit of 10.8. In just eight months, you squandered almost 15 billion from the treasury. To this very day, the treasury has not managed to recover from this blow. The subsidies used to clear enterprise debts, you caused, resulted in revenues to the National Property Fund to the amount of 14,800 million [korunas]. Unfortunately, you burdened the fund with a debt of 15 billion. Thus, despite of our work, purely because of the outcome of your economic management, the current balance of the fund is a deficit of 200 million. We settle this from other sources.

If we consider the results of your state financial management, we see a shortage of money everywhere. By letting the price liberalization bring prices up and letting the credit sources grow at the same time, you produced an insolvency throughout Czechoslovakia amounting to 200 billion, and to more than 60 billion in Slovakia alone. So far, we have not found a way to deal with this problem. Even today, there are not sufficient financial resources in Slovakia for the ordinary running of the economy and paying for basic needs—whether social, economic, or credit sources to provide for the ordinary running of the enterprises. These are your results that still affect us today, and it will take this state six to eight years to recover from your government.

Mr. Miklosko, what you played was a tragedy. It is a tragedy, but if you were to play it again, it would be a farce.

Regarding some other questions raised here, with which we should deal, let me assure you that your policy led to the complete ruination of agriculture, and destruction of the cooperatives. This did not happen with us in control. You followed the route of the liquidation of cooperatives despite the different orientation in the government policy. The situation today is such that 90 percent of these enterprises stand on the verge of financial collapse. They must be helped out of this predicament. Let us consider individual sectors of the economy as they entered, one after another, the privatization process, of which you are so proud. Yes, something was done, something was privatized. The small-scale privatization was conducted according to the legal concept. As far as the lawfulness of these acts is concerned, however, we are checking it now rather than continuing with what you

did. A continuation is possible only by way of a prosecutor. There are projects, in which you made a mistake in favor of the privatizer to the order of Ks100 million. Whom were you helping, with whose money, and for whom? Yes, we know about these steps, and these steps will be the subject of interest but no longer of ours. These are simply steps that have been taken, and now we have to look for the responsible parties. If you say that it is necessary to continue in your way, let me point out to you, that several resolutions on the building of the state were adopted by the National Council. You have done nothing to change the structure of the state administration central bodies. Similarly, you have done nothing to change the structure of the local bodies of state administration that was to have been completed by 30 June 1991. Are we really supposed to continue this and respect the situation you created? Are we to accept the growth of bureaucracy and corruption that you introduced and spread? All this is to continue?

Regarding the democratic character of the state, the democratic character of power, let us look at how the situation was under your rule, how you did it. Of what was Gasparovic guilty, as you intrigued against him as prosecutor general? Mr. Miklosko, you were among those who signed it.

What did the Movement for a Democratic Slovakia do that you used the approach against it that you did?

Mr. Pittner, while you were interior minister, what was the prime minister guilty of that made you issue instructions how to proceed with the materials to prepare grounds for his arrest and the withdrawal of his deputy immunity?

Mr. Carnogursky, was Bacinsky the only person responsible for processing lists of materials on journalists and their screenings? Is it not that Bacinsky was just a straw man? Perhaps it is time you explained these matters?

How did you conduct yourself in this parliament in the Defense and Security Committee and other structures as you processed and falsified documents and fabricated all kinds of slander that the National Council, then under your leadership, acknowledged. Are we to continue these undemocratic practices? To intimidate people by means of bodies of power? Is the prime minister to decide again on whether or not the prosecutor is to take someone to court? That is unimaginable.

(Engineer Gasparovic, chairman of the National council of the Slovak Republic) Mr. Prime Minister, it could be said in a calmer voice.

(Slovak Prime Minister Meciar) One cannot respond to these things calmly. The form corresponds to the content. [Animation in the hall]

Meciar Returns From Moscow, Reviews Talks

LD2503195593 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1730 GMT 25 Mar 93

[Excerpts] In Moscow today, the Slovak Government delegation ended its two-day official visit to the Russian Federation. Premier Vladimir Meciar held talks with Premier Viktor Chernomyrdin and in the afternoon was received by Boris Yeltsin in his Kremlin office. Our special correspondent Michal Michalcik telephoned this report from Moscow:

[Michalcik] [passage omitted] The Russian side is interested in better utilization of the oil pipeline which goes through Slovakia. According to one of the ministers present, the oil pipeline is utilized to only 50 percent capacity. [passage omitted]

After his return from the Kremlin Vladimir Meciar met with a number of inquisitive journalists. When the news conference was over I asked the premier which of the three meetings he attended today he would like to mention in particular, and why.

[Begin recording] [Meciar] All the meetings were intrinsically connected and had one underlying purpose although, of course, different personalities were present at different meetings. My meeting with President Yeltsin, although brief, covered a number of points. It elucidated many fundamental questions concerning the next stage and demonstrated the very clear Russian stance regarding the further cooperation with Slovakia and with western and central Europe in general.

My one-on-one meeting with Mr. Chernomyrdin concerned affairs which interest us both—in fact, it was a continuation of our previous meeting where we noted all that had been achieved and sought new stimuli for the development of cooperation. In this context great willingness to accommodate the Slovak side was evident; it was more than we expected, really considerable.

The meeting with journalists was a news conference. Tonight there will be another meeting with Mr. Chernomyrdin and members of the government where we are going to sign a memorandum. The memorandum was amended on the spot and passed on to ministers for corrections. They are still debating it. That is why we postponed the signing of the memorandum for the next meeting. It is also likely that our talks will be continued. The agenda will include certain questions which the ministers have presented as unresolved—and it will be up to the two of us to discuss and clarify our future progress.

The aim is to get all the basic agreements and the entire system of Slovak-Russian relations contractually enshrined within two months. And, I think, such a schedule is something of a record.

[Michalcik] It means that you have made the first important step along—as you put it—the great path of new cooperation?

[Meciar] Yes, a rough draft of this cooperation has been drawn up and now it will have to be translated into—to use an allegory—beams, walls, doors, and windows so that we build a solid edifice for future generations. [end recording]

Meciar's Reaction To Klaus' Claims

AU2503162793 Bratislava HOSPODARSKE NOVINY in Slovak 23 Mar 93 p 3

[TA SR report: "Regarding the Property Settlement"]

[Text] Slovak Prime Minister Vladimir Meciar appeared on the Radiozurnal program yesterday and gave his reaction to the Slovak Radio interview with Vaclav Klaus. He said the following:

"During all our talks—official and private—I urged Vaclav Klaus to sign an agreement on dividing the Czechoslovak State Bank and the Federation's closing account prior to currency separation. The Czech Government has not yet prepared such an agreement. During the Czech prime minister's official visit to Bratislava, an agreement on property division was drawn up along with rudimentary documents giving each republic the right to negotiate independently with foreign countries and stating that—following a mutual agreement—each republic is a successor to the rights of the former CSFR. The Czech Government rejected this principle in dividing the gas pipeline. It rejected it because it was worried that Slovakia would negotiate directly with Russia about gas and the gas pipeline."

The Czech Government cannot complain about the Slovak cabinet's cooperative attitude, maintains Meciar. He objects to the citizens' property being used to exert political pressure intended to induce Slovakia to sign disadvantageous agreements.

"The Slovak Government insists on the division of the know-how institutions, which have become Czech, and on the division of the Czechoslovak Commercial Bank's actual outstanding claims. The Slovak cabinet's demand associated with the assumption of the former federal flag as the Czech Republic's state symbol has still not met with a response. The Czech Government is unwilling to discuss any of these issues," emphasized the Slovak prime minister.

"The Slovak cabinet was in session until late in the evening of 19 March, but the Czech Prime Minister's Office still received a faxed report of its conclusions that evening. Therefore, Vaclav Klaus cannot claim that he has not been sufficiently informed.

"Slovak Ambassador to the Czech Republic Ivan Mjartan attends to things in Slovakia because the conditions in Prague are still not conducive to his work and he travels to Prague almost every day. This is partially the fault of the former foreign minister. The Czech side also shares part of the blame for the fact that not all the documents on our representative office have been

signed." The prime minister rejects Klaus' statement about searching in vain throughout Prague for the ambassador, and describes it as an attempt to pour scorn on the Slovak ambassador. He also referred to Czech Ambassador Filip Sedivy's appearance on a television program that disparaged the Slovak president. This could provide justification for a diplomatic protest from the Slovak Government. Each ambassador is a representative of his republic.

"It is necessary to organize talks between the prime ministers; I have received an invitation," said Meciar. "Klaus refuses to discuss matter-of-fact objections and presents Slovakia's endeavor to resolve them as an attempt to hold up the negotiations. The EC may also perceive the Czech Government's step as casting doubt in the Czech Republic on the property rights of any citizen from any state, and this maneuver could come back like a boomerang."

Kovac Comments on Current Political Situation

AU2503171093 Bratislava NARODNA OBRODA in Slovak 23 Mar 93 p 12

[Reprint of an interview with Slovak President Michal Kovac from Bratislava PRACA no. 67; place and date not given: "Political Stability Is the Most Important Thing"]

[Text] For Slovakia, the most important thing is to achieve political stability, Slovak President Michal Kovac said in an interview for PRACA no. 67.

[Kovac] All the institutions of state power and central state administration must begin work as soon as possible. It is important that the government becomes stabilized, and that a deputy prime minister is appointed who will deal with economic problems. We also believe that it is important to appoint the governor of the National Bank and its vice governors, the director of the Slovak Information Service, and the director of the Supreme Control Office. This should be the first phase. In the second phase, the Slovak Government should present to the National Council of the Slovak Republic an innovative policy statement on which the deputies will vote. This will be, in a certain way, a vote of confidence in the government. Then, the stabilization of the domestic situation should follow. All parties in parliament should concentrate on solving the most important economic and social problems of the country.

[PRACA] Since you assumed the office of president, you have been calling for peace and cooperation—disregarding political affiliations.

[Kovac] We have to seek ways and means to initiate this peace. Certainly, it will not be achieved by the president's instigation only. We must implement some changes and, above all, conduct political discussions between individual parties. We have to agree on a certain

type of coexistence, which means a political consensus. Only then can we expect that this peace will ease the situation of the people.

[PRACA] Is there a realistic chance that a wide political spectrum would cooperate?

[Kovac] We want to invite representatives of individual political parties—even extra-parliamentary ones—and try to reach the necessary joint consensus.

[PRACA] Are you afraid of a political crisis in view of current developments?

[Kovac] It is not only we who are afraid. Others, elsewhere in the world where democracy is being born, are afraid, too. The programs of parties and movements are crystallizing and governments are searching for ways to implement the transformation process. That is, we cannot speak about panic or fear of any kind. Whenever there is a serious problem, we would like to find a common language and a solution which would not worsen Slovakia's position in the world, but which would improve its trustworthiness.

[PRACA] Do you think that the current development in the Slovak political arena is leading to the establishment of a wider political coalition which—despite their variety of opinions—would oppose not so much the HZDS [Movement For a Democratic Slovakia] but rather Meciar?

[Kovac] It is difficult to say whether a wider opposition is being established against the HZDS or Meciar. The next phase will show this. From what we know so far, this is not how we see things.

[PRACA] How do you view Czech-Slovak relations? Have more problems recently appeared than you expected?

[Kovac] We could have expected almost all these problems to appear. I was surprised by one of them, however, namely, monetary separation. I did not expect this to happen so soon. I firmly believed that monetary union would survive this year. If we had succeeded in overcoming the six-month period, the development could perhaps have been different. Anyway, it is over now. It will be necessary, however, to make a detailed analysis of what happened to the currency.

[PRACA] Are you afraid that a serious political crisis could erupt in Slovakia in connection with the most recent development?

[Kovac] I cannot say that I am panicking. I would be happy if we were able to find a common language when there are serious problems to solve.

Kovac Attends Army Commanders Meeting in Trencin

AU2603075593 Bratislava HOSPODARSKE NOVINY in Slovak 24 Mar 93 pp 1, 2

[Report by TA SR: "With the Chief Commander"]

[Excerpt] Yesterday, Slovak Republic President Kovac, who is also chief commander of the army, attended a meeting of the Slovak Republic Army commanders in Trencin. Defense Minister Andrejcek was also present. Slovak Republic Army Commander J. Humaj said that during the short period of the army's existence, we have succeeded in establishing organizational arm structures, strengthening the system of combat readiness, drafting basic documents, and preparing a concept for establishing the Slovak Armed Forces.

In his speech, the Slovak president said that the fact that we do not have a specific enemy and do not see an immediate threat to our security—and we are not posing threat to anyone—is the basic principle for our political and defense orientation. Kovac expressed his wish that the army should become a unifying President factor for all the Slovak citizens, irrespective of nationality, political affiliation, or religion. At a short briefing, President Kovac said that in light of the current, unfavorable social situation in the army, he considers patriotism to be a dominant motive within the army since Slovak officers in Czech units have relocated to Slovak units. He personally supports the professionalization of the armed forces, despite the fact that it depends on many factors that he himself cannot influence.

Minister Andrejcek said that securing the eastern borders—in case there is an influx of refugees from instable Russia—is within the jurisdiction of the Slovak Interior Ministry. In case there is an exceptional situation, the army has a plan to help protect any part of the borders. [passage omitted]

Weiss: Governing 'Impossible' Without HZDS

AU2503161593 Prague CTK in English 1614 GMT 23 Mar 93

[Text] Bratislava March 23 (CTK)—Peter Weiss, chairman of the Democratic Left Party (SDL), the second strongest party in Slovakia, told journalists today that the upcoming congress of the ruling Movement For a Democratic Slovakia (HZDS) will considerably influence further developments in Slovakia.

Weiss added that a confrontation of generations is expected to take place at the HZDS' congress scheduled for this weekend. He said that given the current distribution of political forces in Slovakia, he could not imagine that a coalition could be formed by the SDL, the Slovak National Party (SNS), the opposition Christian Democratic Movement (KDH) and the Hungarian Christian Democratic Movement (MKDH)-Egyuttetes. Weiss said at present it is impossible to rule in Slovakia without the HZDS and all thus will depend on the extent

to which the HZDS representatives will be able to cooperate with other parliamentary parties.

Regarding Slovak Premier Vladimir Meciar's alleged proposal for the SDL to participate in the Slovak Government, Weiss said his party does not want to find itself in a situation similar to that of the SNS. It was clear, he said, that such a coalition (between the HZDS and SNS) could not last long. (Ludovit Cernak (SNS) who was the only non-HZDS minister in the current Slovak cabinet, resigned as Slovak economics minister last week—Ed).

Meanwhile, the MKDH said that it is neither interested in forming a wider coalition nor does it intend to participate in one, if it is formed.

Vojtech Bugar, MKDH chairman, told journalists today the MKDH would rather back establishing a government of experts and it is thus currently choosing appropriate specialists among its members for possible participation in such a cabinet.

The MKDH-Egyuttes has 14 seats in the 150-strong Slovak Parliament.

Government Said To Be Losing Grip on Power

*AU2503161793 Prague CTK in English 1945 GMT
23 Mar 93*

[Text] Bratislava March 23 (CTK)—Jan Carnogursky, chairman of the Christian Democratic Movement (KDH), today said that even before a hundred days have elapsed since Slovakia's independence, Vladimir Meciar's government has started losing its power.

Carnogursky, former Slovak premier, told a KDH meeting attended by 4,500 people, that nobody could profit from the concealing the real state of affairs in Slovakia. He resolutely opposed the appointment of former communists cadres to state offices. Let them run their private businesses and not try to rule over the state, he stressed.

Carnogursky described as a fit of nerves Meciar's address to the Slovak Parliament last week in which he lashed out at KDH representatives. Strong words have no effect on us, we are not afraid of them, he said.

Security, Intelligence Service Criticized

*LD2503185393 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1100 GMT 25 Mar 93*

[Excerpts] The 17th session of the National Council of the Slovak Republic and the question of the Slovak security and intelligence service were the two main topics on the agenda of today's news conference of the Christian Democratic Movement. The Movement's Chairman Jan Carnogursky gave an interview to Anna Vargova:

[Begin recording] [passage omitted on the movement's view on pension increases approved by the government yesterday]

[Vargova] At today's news conference you spoke also about the question of the Slovak security and intelligence service. According to some information the head of the Office of the Slovak Government, Mr. [Ivan] Lexa, should become its director. You have described him as unsuitable for this post. Why?

[Carnogursky] In his present post of head of the Government Office, which gives him certain supervisory powers, he has not acted in accordance with the law, specifically with regard to our organization. For example, he authorized checks on our organization which were illegal because no law empowered him to do so. But a more important point is simply the fact that Mr. Lexa has no qualifications to be the director of the Slovak intelligence service. This is an intelligence service and Mr. Lexa has never worked in this field, has no appropriate education, and therefore I doubt that he could build from scratch an efficient Slovak intelligence service. [passage omitted on Vargova and Carnogursky discussing accusations of illegal checks]

[Vargova] So far Slovakia has no director of the security and intelligence service. Does that mean that in this respect the country has no protection?

[Carnogursky] Quite. Slovakia has no intelligence protection. Intelligence protection of any state is based above all on the evaluation of the so-called open sources of other states. These sources are estimated to amount to about 60 percent of intelligence information of any state. The next 30 percent is the evaluation of this open information, and the rest—about 10 percent—is obtained through intelligence means. Since we have no intelligence service to carry out that 90 percent in data evaluation, consequently the remaining 10 percent—if anything is being gathered for Slovakia at all—is being gathered in a very inefficient way. Naturally, this is not good enough to ensure Slovakia's intelligence needs. [end recording]

Cooperation Protocol Signed With Romania

*LD2503230893 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1730 GMT 25 Mar 93*

[Text] Jan Lisuch, state secretary in the Ministry of Foreign Affairs, discussed with his Romanian counterpart, Ion Gorita, topical international political affairs and the present state of and prospects for developing mutual relations. In the conclusion of the talks the two officials signed a protocol on cooperation between Slovak and Romanian Foreign Ministries.

HZDS Domination of Defense Ministry Criticized

AU2503171293 Bratislava PRAVDA in Slovak
24 Mar 93 p 2

[TA SR report: "A Movement For a Democratic Slovakia Defense Ministry?"]

[Text] Bratislava—Despite Prime Minister Vladimir Meciar's New Year statement that individuals who formerly held powerful posts must not return to the most senior state and political functions, Imrich Andrejcek was appointed Slovak defense minister on 16 March. Representatives of the Association of Slovak Soldiers [ASV]—which was the first organization to express its point of view on the candidate for the post of defense minister—made this statement at a press briefing held yesterday in Bratislava. "How can we rationalize the Defense Ministry's apolitical nature and impartiality when the place is full of Movement For a Democratic Slovakia [HZDS] members? Is it the Slovak Defense Ministry or the HZDS Defense Ministry?" said ASV Chairman J. Repasky. "The defense minister considers putting the final touches to the Defense Ministry and the Slovak Army Command to be his main priorities. We, rank-and-file members and officers, consider this to be arrogant, because the ordinary officers' social sphere has been forgotten." This comment was made by Miroslav Kucik, one of the representatives of the ASV Club. He emphasized that there are more than 100 too few apartments in Piestany for career soldiers returning from the Czech Republic alone.

Minister Rejects Carnogursky Economy Claim

AU2503162193 Prague CTK in English 0928 GMT
24 Mar 93

[Excerpt] Bratislava March 24 (CTK) [passage omitted]—In an interview for the left-oriented daily PRAVDA, Slovak Privatization Minister Lubomir Dolgos declines to comment on speculations about his removal from his post.

Various economic measures have recently been approved at the governmental level which react to only the most glaring problems, Dolgos says. Passing measures is one thing and enforcing them is something else. It is only possible to evaluate them on the basis of realistic results, such as how the economy develops, whether it prospers or continues to decline, he says.

Dolgos also says that he does not agree with the statement made by former Slovak Premier Jan Carnogursky

in parliament that the economic situation in the Slovak Republic has grown worse since the new government took office after the June 1992 elections.

In answer to the rebuke that Slovak Premier Vladimir Meciar's government was not prepared for the division of the Czechoslovak Federation, Dolgos answers that the government had had nothing to follow up with. The previous government knew that the Czechs were preparing a division, that the script was being written from the beginning of 1991, but they did nothing, he says.

The daily also writes that Eastern Slovakia will soon be threatened by a sharp increase in unemployment. The paper designates April 22, the date the new law on bankruptcy should take effect, as Black Thursday. It writes that those falling onto a sharp knife are mainly employees of machine-industry enterprises, which are in financial difficulties and in several cases are already in liquidation. [passage omitted]

Coupon Privatization Shares To Be Issued Soon

AU2503200993 Prague MLADA FRONTA DNES in Czech
24 Mar 93 p 1

[Report signed "(dd)": "Shares Will Start Being Issued in Slovakia on 5 April"]

[Text] Prague—Shares from coupon privatization should start being issued in Slovakia on 5 April. All the shares will be issued, including those obtained by Czech investors in Slovak companies. Emilia Mojzisova, director of the Slovak Securities Center, verified this information yesterday. The original date for the share issue was the same as in the Czech Republic, 29 March (before the Czech Government decided de facto to suspend the share issue in order to force the Slovak side to negotiate on the property settlement after the Federation's breakup).

The one-week delay in Slovakia is due to technical difficulties caused by the postponement in the Czech Republic. All the data on the first wave of coupon privatization is stored in the Coupon Privatization Center in Prague. This data has to be transferred to a new database in Slovakia in view of the share issue suspension in the Czech Republic. Statements of accounts confirming real ownership of the shares can then be printed in Slovakia on the basis of the information contained in the new database.

The Slovak Coupon Privatization Center will ask the Czech side to pay the costs associated with its suspension of the share issue.

Suchocka Remains Committed to Mass Privatization

LD2503205893 Warsaw PAP in English 2001 GMT 25 Mar 93

[Text] Warsaw, March 25—Prime Minister Hanna Suchocka declared Thursday [25 March] that her government would not give up efforts aimed at implementing the mass privatization programme (MPP) rejected in a sejm vote last week. She assured a meeting of directors of state enterprises slated for privatization that the reworked draft law on MPP would be submitted to parliament very soon.

She added the basic concept behind the draft would not change. Moreover, as the Minister for Privatization Janusz Lewandowski told the meeting, the government will start setting up the national investment funds, envisaged by the MPP, without waiting for the law to pass through the sejm.

The directors who took the floor in response to ministerial declarations voiced their disappointment with the defeat of the MPP bill in the sejm. Most of them said their workers were also frustrated.

After the meeting Minister Lewandowski told reporters he would resign if the new version of the MPP failed to pass through parliament. "We have introduced so many restrictions to the MPP that it now looks bleak and defensive compared to what Poland's neighbours plan to do," he added.

Suchocka on Support for New Privatization Draft

LD2503150093 Warsaw Third Program Radio Network in Polish 1300 GMT 25 Mar 93

[Text] [Studio announcer] Representatives of 200 enterprises, which have been waiting for the mass privatization for two years, have today arrived in Warsaw at the invitation of the Democratic Union. During a meeting with Prime Minister Hanna Suchocka, they talked about the disappointment with which they received the rejection of the mass privatization program by the Sejm.

[Begin recording] [Suchocka] This discussion strengthens the determination which the government had, that the mass privatization program must again be put forward to the Sejm.

[Unidentified correspondent] Do you count on the Democratic Left Alliance's [SLD] support?

[Suchocka] As the government, I cannot reveal here parliamentary cards. These are various movements for the coalition which supports this government.

[Correspondent] Would you be pleased with this support?

[Suchocka] Any rational support, support which really sees the interest of enterprises and people, is good. Every party that claims to be a constructive opposition, a positive opposition or whatever adjectives one would

use, should draw some conclusions from the last vote of the Sejm and from this state of enterprises and workforces which wait for this program. [end recording]

[Studio announcer] Janusz Lewandowski, minister of ownership transformations, told us that the new draft was being discussed with all opposition parties. Lewandowski counts on the support of SLD. He and Minister Jacek Kuron intends to meet with the SLD representatives before the next vote on the program in the Sejm. The minister announced that a rejection of the new version of the draft would mean that he would leave the government.

CUP Reports Production Growth, Trade Deficit in Jan, Feb

LD2503200793 Warsaw PAP in English 1903 GMT 25 Mar 93

[Text] Warsaw, March 24 [date as received]—According to the Central Office of Planning (CUP) industrial production and labour productivity in industry increased in the first two months of 1993. Industrial output grew by 5.7 percent compared to the same period of last year, CUP reported, while the labour productivity grew by over 10 percent.

On the other hand, January was the fourth consecutive month when a deficit in foreign trade was recorded (267 million dollars). Also, foreign exchange reserves held by banks fell during the two first months of 1993.

The revenues of the state budget during the January-February period reached 51.5 billion zlotys (ca. 3 billion dollars), while spending totalled 60.6 billion zlotys (ca. 3.4 billion dollars). The deficit chalked up during the two months accounted for 11 percent of the total planned for the year.

President Signs New Law Regulating Taxes

WS2503154793 Warsaw SERWIS INFORMACYJNY PREZYDENTA in Polish 1103 GMT 25 Mar 93

[Text] Lech Walesa, president of the Republic of Poland, signed the law of 6 March 1993 on amending some laws that regulate taxation rules and other laws. He also informed Premier Hanna Suchocka that: "only for political reasons did I restrain from exercising the right of veto."

This law, which is commonly referred to as the "round-the-budget law," amends 14 laws. The most sweeping changes are introduced into the income tax law. The law aims at ensuring the revenues of the budget that were expected to be obtained from taxes.

In his letter to Prime Minister Suchocka, the president draws attention to the negative aspects of the new law: "The law, however, contains dubious solutions which, if implemented, could result in losses for the state. I must

include here first of all article six, which encountered a vehement opposition on the part of both economic and legal circles.

The change in the system of capital joint ventures, effected through amendments in the law on tax obligations, seems to sacrifice the strategic goal, which is legibility and stability of the Polish law. This is indispensable in an open market economy, and the new law seems to sacrifice it for temporary fiscal benefits, which may turn out to be not very easy to obtain."

Moreover, the president asks the Council of Ministers to launch an initiative to correct the shortcomings of the law and do this, if possible, before the law comes into force.

Two Provincial Governors Dismissed

LD2503175493 Warsaw PAP in English 1706 GMT
25 Mar 93

[Text] Warsaw, March 25—Prime Minister Hanna Suchocka on Thursday [25 March] dismissed provincial governors of Slupsk and Piotrkow Trybunalski, Wieslaw Rembielinski of the Centre Alliance Party (PC) and Andrzej Szczepocki of the Polish Peasant Party (PSL), respectively.

Szczepocki is blamed of violating the budget law by granting credits from the provincial funds to a private company.

Rembielinski failed to establish cooperation with local partners, such as political parties and trade unions, owing to which occupations of public buildings and hunger protests are regularly staged in his province, the government press office said.

Polish-German Forum Views Problems of Cooperation

LD2503172193 Warsaw PAP in English 1618 GMT
25 Mar 93

[Text] Warsaw, March 25—Problems of economic cooperation between Poland and Germany are being examined at the first Polish-German economic forum that opened in Warsaw on Thursday [25 March]. The event has been organized jointly by the Cabinet Office and the Konrad Adenauer Foundation.

In her inaugural speech Poland's Prime Minister Hanna Suchocka said that she attached great weight to economic cooperation with Poland's western neighbour. This was the subject of her talks with Chancellor Helmut Kohl in Hannover earlier this week.

Premier Suchocka repeatedly pointed to Germany's support for the Polish reforms, that country's significant share in the stabilization fund for Poland, its debt reduction, credit funds and the "Hermes" guarantees amounting to 5 billion DM [Deutsch marks].

However, Poland has not used all the possibilities in this area, especially as regards German investments in Poland. With a total investment of 400 million DM, the Federal Republic comes only fourth in this respect, after Italy, the U.S. and Sweden.

By contrast, Hans Peter Stihl, president of the Association of German Chambers of Industry and Commerce highly appreciated the development of Polish-German trade contacts pointing to Polish exports to Germany totaling 8.3 billion DM in 1992 (7.2 billion DM in 1991.)

In a related development, the Warsaw Institute of Scientific, Technological and Economic Information (INTE) and the German firm "Scientific Consulting, DR Schulte-Hillen BDU" of Cologne organized a seminar on Thursday to define Poland's needs as regards modern computer data systems for science and economy and the possibilities of Polish-German cooperation in this respect.

Vacaroiu Says Government Not To Be Reshuffled*AU2603102893 Bucharest ROMPRES in English 0930 GMT 26 Mar 93*

[Text] Bucharest, ROMPRES 26/3/1993—"Absolutely no change" is envisaged in the government's composition, told daily *TINERETUL LIBER* Premier Nicolae Vacaroiu, denying the idea rumored by the opposition that the government would fall after May 1. The prime minister, who emerged victor after the no-confidence motion advanced to the Parliament by the opposition, reiterated his belief that the government's reform strategy and program pursued an economy of "a social-democratic type," and that the program was "a combination of elements of liberalism and elements of marked social protection, dictated by current concrete conditions in Romania."

Nicolae Vacaroiu recognized that lately, "especially this last year," the salary tax has risen, explaining that it was partly due to a wrong approach to the salary issue. "But this does mean the course will be like this... The indirect taxes have to go up and the direct ones to go down." This is precisely one of the reasons why the application of the value added tax is meant to become effective on July 1, in spite of all difficulties and costs. "The technical equipment at the economy's level for the application of the value added tax," the prime minister said, "means almost one billion dollars, some 300 million of which—technical equipment for the fiscal apparatus in the country and in the Ministry of Finance—and about 700 million dollars—the economic agents' own effort." And, since there is no date foreseen for raising this money, "we will apply the VAT as of July 1. I want to regain time and to have six months at our disposal to make adjustments on the run, so that on January 1994 we should have free way even for the subsequent adjustments for the VAT application," the prime minister said.

Negritoiu, Moldovan Minister Discuss Cooperation*AU2503163793 Bucharest Radio Romania Network in Romanian 1100 GMT 25 Mar 93*

[Text] This morning, Misu Negritoiu, minister of state and president of the Coordination, Strategy, and Economic Reform Council met with Mr. Sergiu Chertan, minister of economics of the Republic of Moldova. The sides discussed the major aspects of economic reform processes in the two countries and the quest was briefed about the major elements of the social economic strategy of the government program and about concrete ways of implementing them.

Likewise, the two officials discussed a number of issues regarding the goals and forms of cooperation between the Coordination, Strategy, and Economic Reform Council of Romania and the Ministry of Economics of the Republic of Moldova, our correspondent Silvia Ilies informs us.

Nastase on Censure Motion Ballot in Parliament*AU2503141493 Bucharest ROMANIA LIBERA in Romanian 22 Mar 93 p 3*

[Interview with Adrian Nastase, chairman of the Chamber of Deputies of Romania's Parliament, by Geo Asavei; place and date not given: "A Certain Radicalization of the Political Forces Has Taken Place"]

[Text] [Asavei] Would you comment on the results of the ballot on the censure motion [against the Vacaroiu cabinet's government program]?

[Nastase] From a certain point of view it was a waste. Of course, governing under the current circumstances is an exceptionally difficult task and therefore the party which assumes that responsibility is naturally submitted to erosion. But those are medium-term speculations. Each of the sides will eventually draw their own conclusions. What seems obvious to me is that a certain radicalization of the political forces has taken place in the sense that the center area of the political spectrum in Parliament has become thinner. Regarding that frontier area between the opposed political forces, currently we might be in the same situation as in November 1990. Concerning the results of the ballot, I found them absolutely normal. There had been a great deal of speculation but the ballot itself was completed quietly and in a disciplined way. I think that certain parties belonging to the Democratic Convention of Romania have also voted against the censure motion. However, in my opinion the essential thing is that in general terms party discipline was observed during the ballot. It is quite difficult to exactly assess the situation after such a short time. The consequences will probably become visible later.

[Asavei] How would you term the "show" offered to the Romanian nation [via television] by certain parliamentarians on the "stage" of Romania's Parliament? [reference to the one-hour fulminating speech of Senator Corneliu Vadim Tudor, president of the Greater Romania Party]

[Nastase] Unfortunately, such attacks, carried out in a more or less subtle way, have persisted over the past two weeks. However, I do not know which offense is more serious: To reveal that someone has written a certain kind of poem [praising Ceausescu] or to claim that the government lacks character and credibility. In both cases one has to deal just with words, but whereas in the first case the stress falls on the spectacular character of the speech, in the second the words convey terribly serious and painful accusations. One should not leave aside anything that happened in Parliament on Friday [19 March] when making comparisons. Personally, I believe that such things should not be allowed to happen under any circumstances in Romania's Parliament.

[Asavei] Have you thought of any measures that could prevent such things from happening?

[Nastase] I think that Parliament's regulations are quite sufficient to master such situations. However, I also think that our political life ought to be taken, to a certain extent, out of the limelight of public life. Owing to the live television broadcasting of such Parliament sessions certain persons are tempted to commit such extravagant acts. I think there are very few countries in which it is customary for television to carry such extensive live relays of parliamentary debates. Personally I do not object at all, but I suspect that such "mediatization" might lead to the behavior you brought up. As long as such things do not go beyond the walls of parliament building they may be considered normal debates. Journalists should attend, of course, but if the stakes implied by the media are lowered, such things will happen less often and their scope will also be reduced.

FSN President Criticizes Government Program

AU2503163393 Bucharest ROMPRES in English 1133
GMT 25 Mar 93

[Text] Bucharest, ROMPRES, 25/3/1993—If the governing programme of the present cabinet is implemented, Romania will become "a truly underdeveloped country, with deteriorated social and welfare structures, with an incredible gap between the poor and the rich," said Petre Roman, president of the National Salvation Front (FSN) in an interview with a reporter of the daily TINERETUL LIBER.

He accused the government of having returned to "a style of propagandistic policy," all while ignoring "the two basic elements that determine economic recovery: budget deficit and investment," an approach the FSN leader claims could be found in the "constructive proposals" made by his "opposition party as an alternative to the government programme."

One cannot speak now of a communist restoration in Romania, he said, but of a comeback of those who used to hold key posts in the administration and who command the network through which dishonest business can be promoted to the detriment of the national economy.

Petre Roman repudiated the blame ascribed to him for the bad management of the country's affairs during his premiership and, to illustrate, he quoted one of the accusations brought against him, namely that during his office, the bureaucratic structure had been inflated: "when I left the office of prime minister the government's staff amounted to 180 persons. Now they are 700."

IMF Official Meets Iliescu, Discusses Reform

AU2503065393 Bucharest Radio Romania Network in Romanian 2000 GMT 24 Mar 93

[Text] In a statement made to the press after his talks at Cotroceni Palace, the head of the IMF delegation currently visiting in Romania, Maxwell Watson [name as heard], said that his meetings with the Romanian president, government representatives, and Romanian National Bank officials proved to be very constructive regarding the negotiation of a new stand-by accord with Romania.

The talks concentrated on two main issues: the Romanian Government's plans concerning the speeding up of reform and the restructuring of companies, and the government's efforts to eliminate the causes that led to the current high inflation rate.

Watson also mentioned the fact that the Romanian Government intends to take special social protection measures, especially now that state subsidies are to be eliminated.

The head of the IMF delegation concluded his statement by saying that he is looking forward to further talks.

Iliescu, Union Leader Discuss Embargo Losses

AU2503204393 Bucharest ROMPRES in English 1801
GMT 25 Mar 93

[Text] Bucharest ROMPRES, 25/3/1993—During a meeting between President Ion Iliescu and National Trade Union Bloc (BNS) representatives at the Cotroceni Palace on March 25, BNS leader Matei Bratianu asked the Romanian president to intervene in order to recover Romania's losses caused by the embargoes imposed to Iraq and Yugoslavia.

"President Ion Iliescu, Romania's most authorised representative, could conduct to a beneficial end the proceedings carried so far by the Parliament and government," said the union leader.

The BNS representatives also urged President Iliescu to intervene, in the name of Romania, with the Ukraine officials in order to un-block the Krivoy-Rog project whose erection was covered 60 percent by the Romanian party. "To abandon this project would mean to cause immense losses to the Romanian economy," said union leader Bratianu.

The president was also asked to intervene with the Parliament for the re-examination of a bill for amending and extending the law of organising and holding public rallies. The bill was considered by the union representatives as "heavily anti-democratic and anti-union." The president was also asked to take action in the matter of a bill extending the government abilities on salary control policy.

Ambassador To UK Discusses Relations

AU2503162393 Bucharest DIMINEATA in Romanian
18 Mar 93 pp 1, 5

[Interview with Sergiu Celac, Romanian ambassador to Britain, by Florin Radulescu-Botica in London; place and date not given: "O.K. From England"]

[Excerpts] [Celac] We are in London, in Belgrave Square, the residence of Romania's ambassador. [Passage omitted]

[Botica] How do you see current relations between Romania and Britain from here—Belgrave Square, where once the illustrious Nicolae Titulescu's steps resounded on the pavement?

[Celac] They are progressing normally. We spoke about this subject about two years ago, also here in this building, which houses a valuable thesaurus of testimony of Romanian diplomacy. Thus, we can compare the expectations of those days with the dynamic development of today's events. One can say that the bilateral relations are developing continuously and have reached the expected level in accordance with the proposed goals. The arguments are numerous and well-known by our readers. As a new element I can tell you—as I recently said at a meeting of the representatives of the Bucharest and London Chambers of Commerce—we are trying to do our utmost to have an embassy devoted not only to its traditional duties but, in accordance with the specific needs of establishing the market economy in our country, to mediate contracts between businesses, regardless of the form of ownership they represent. In other words, we offer free consultation to all of them, thus giving a maximum impetus to commercial exchanges. We are paid by the Romanian taxpayer and we know how hard earned that money is. Therefore, we do not think of our duty in an abstract-patriotic way, but want to get directly involved in the progress of bilateral businesses, in discovering and capitalizing new trade, investment, and cooperation areas. [passage omitted]

[Botica] Can we hope for an increase of British investment in our country?

[Celac] Certainly! In fact, the United Kingdom is among the major investors in Romania. However, I would like to note that if the global funds are not yet up to the potential, as far as specific investments per unit are concerned it is in first place. The legislative measures we have adopted to stimulate foreign investors and the ones on which Parliament is currently focusing will no doubt attract an abundance of capital. In order to have reliable partners and to become an attractive place for investment, it is necessary to offer legal facilities and guarantees in accordance with international practices. The fact that our partners want to gain something is perfectly normal. It is important that we gain, too. The economic stabilization will drive away those who come to

Romania only for a "handful of dollars" and leave the scene in favor of serious companies that are looking for long-term cooperation.

[Botica] How was the news that we are going to deliver Romanian passenger planes—a modernized Rombac—to the United States received in England?

[Celac] I took an active part in negotiating this contract. Our aircraft industry places us among the prestigious manufacturers in Europe. I believe that in this respect we are at the same level as Germany. Therefore, the commercial success you referred to is perfectly natural. However, our aircraft industry must be continuously supported because it represents a real chance for our national economy. Likewise, those who work in this area must understand that in the field of competitive economy, the irreproachable respect of contracts is "the law of laws."

[Botica] Toward what Romanian economic fields are the interests of British entrepreneurs mainly directed?

[Celac] Together with manufacturing aircraft—in the aforementioned case equipped with British jet engines—we can still talk about the oil industry. In this sector of activity British companies have a 90-year presence in Romania. The first one was founded in 1903. Certainly, we have an obligation to know how to develop the real interest of British businessmen in these two industries, namely the aircraft and oil industries. If we succeed, we are obviously going to win the economic partnership of Britain, and this will have a positive effect on the political area, including the strategic domain.

[Botica] During our discussion with the ambassador to the United Kingdom of Great Britain and Northern Ireland, it was confirmed to us, also through his experience, that Romania's image in the world has improved substantially. Let us not forget that the British people excel in understatement....

[Celac] The image of a country cannot be "invented" abroad because it is born in the country itself. Certainly, I should not forget that there are so-called "distorting mirrors" however, truth cannot be distorted forever. Well, the process of democracy and reform have changed the course of Romania's image, something that has been illustrated by the intensification of Romanian-British relations.

[Botica] In this respect, positive new signs have been transmitted through the steps taken by our country toward the integration in the European economic structures as well as—according to what I read in British papers—through the visit paid by our president to NATO....

[Celac] Certainly. However, the first sign of the firm nature of Romania's commitment to establishing a new society, political pluralism, and a market economy, was Ion Iliescu's message on the occasion of his investiture as

Romania's president, an act that culminates the elections that were unanimously assessed as being free and fair. Everything that followed that message, on the domestic and foreign plane—I am talking mainly about the goals of the Vacaroiu government—has validated the irreversibility of the historical process that is about to be completed in Romania, the prevailing will of our people to resume the values of Western democracy.

[Botica] Let us hope that the traditional fog that covers the Channel will no longer hide the foul play of the "image tricksters"?

[Celac] I firmly support this conviction. But here is a final example: on the occasion of signing the new cultural and scientific accord, high-ranking British officials declared that this document represented a model for relations with countries in Central and Eastern Europe and that as far as bilateral cultural and scientific relations are concerned, Romania is on a par with any of Britain's Western partners.

That is quite eloquent, is it not?

Hungarian Daily Reacts to Iliescu Interview

*AU2503195993 Bucharest ROMANIAI MAGYAR SZO
in Hungarian 20-21 Mar 93 p 1*

[Article by Janos Gyarmath: "What Is European?"]

[Text] Romanian diplomacy is making visible efforts to accelerate integration in the Western European economic and political structures and obtain full membership in the Council of Europe, efforts that are promising success. Recently, our foreign minister visited Bonn and London, and he is preparing to visit Rome. Today, he is in Gyula where, together with his Hungarian counterpart, he will perhaps try to push the debate on the basic treaty between the two countries out of the present deadlock, a debate stranded because of some elements of the proposed basic treaty. He will probably try this because he is also aware of the fact that the European Community would not welcome two "scandal-makers" in their midst, as one of our Romanian journalist colleagues put it. In the meantime, officials of the Council of Europe visited Romania and received assurances from all levels that Romania was ready to sign every document, including the European Agreement on Human Rights, and join the European Charter of Regional and Minority Languages. This "all-nation" agreement, this zeal and hustle worthy of a good cause, would give me pleasure if...

I regarded all this as honest on all levels and if I did not feel that, essentially, the goal was membership in the Council of Europe alone, and not observing the responsibilities involved in such membership, namely the development of a constitutional state and a democratic system in line with European norms. I became convinced of the correctness of my feelings while sitting together with and interviewing President Iliescu on 17 March. What did I hear, and what appeared in our newspaper on

19 March? Nothing more than the fact that the efforts of the Hungarians in Transylvania, of the Democratic Union of Hungarians in Romania [RMDSZ—UDMR in Romanian] are not European, and they are obsolete, separatist, and segregationist attempts that aim at Bantu-like isolation [bantusztanizálás] which, if the Romanian state allowed it, would set us back for centuries! Is this the case, Mr. President? Hardly.

In the following, I do not intend to argue about the meaning of segregation or Bantu-like isolation because I have not yet heard of a minority that would segregate or isolate itself, but I have heard of what is European and what is modern; all the more so because, in connection with fulfilling the national minority rights, the president, the government, and the ruling party of this country loudly proclaim that Romania solved this issue to such an international and European standard that this country could even show an example to Western democracies; the recent interview in our newspaper also contained this. As an example for all this, they say that the Hungarians and the minorities in general are represented in our parliament and that the minorities can learn in their mother tongue and they have their own press and cultural institutions in their mother tongue, something that does not happen elsewhere (?); moreover, there are not even intentions to guarantee such rights elsewhere....

We know, and we have repeatedly written in these columns, that this is not exactly so. Therefore, we will not repeat it now. However, we would like to draw attention to the fact that the things the RMDSZ is fighting for, rather than the things our president is claiming, are European and modern; and the suppression of the Hungarian's autonomy efforts, rather than these efforts themselves, is the thing that could set us back by centuries.

I would like to draw the attention of the Office of the President, the government, and the majority in parliament to document No. 1,201 adopted by the Parliament of the Council of Europe at the General Meeting held on 1 February 1993 (a document fully published in the issue numbers 977 and 978 of ROMANIAI MAGYAR SZO), a document headlined: "An Appendix Proposal to the Agreement on Protecting the Basic Human and Freedom Rights of Persons Belonging to National Minorities." Let us only quote some stipulations of this document: It is forbidden to deliberately modify the demographic composition of a given area.... The minorities have the right to create their own organizations, including political parties.... They have the right to freely use their mother tongue in the private life, in public, orally and in writing alike.... They have the right to use their mother tongue in their contacts with administrative bodies, as well as in courts and justice administration bodies.... They have the right to write the names of their communities, their symbols, and their slogans in their mother tongue.... They have the right to learn their mother tongue and enjoy education in their mother tongue in an adequate number (!) of schools and institutions of public education.... They have the right to create and manage their

own schools.... They have the right to an adequate local, autonomous, or special status self-management. None of the stipulations of the present document can be regarded as a restriction of the individual rights of person belonging to a national minority, or the collective rights of a national minority, rights present in the legislation of the given state!

Mr. President! These are the European and modern norms that Romania will have to observe if it obtains membership in the Council of Europe. These are the norms which, in your opinion, "the non-European, sectarian, and obsolete" RMDSZ is struggling for.

Presidential Spokesman Replies

AU2503200093 Bucharest Radio Romania Network in Romanian 1100 GMT 25 Mar 93

[Text] A press communique sent to us today by the spokesman of Romania's Presidency points out the fact that on 24 March 1993, he sent a letter to the editor in chief of the daily ROMANIAI MAGYAR SZO [published in Hungarian in Bucharest] regarding the item entitled "What Is European?" by Janos Gyarmath published in the 20-21 March issue of the daily.

The letter highlights the fact that, quote, the item uses very original methods to convey an incorrect message to the readers by commenting on passages taken out of context from the opinions expressed by President Ion Iliescu during the interview he granted on 17 March to ROMANIAI MAGYAR SZO, unquote.

Ukrainians' Union President on Minority Issues

AU2503163193 Bucharest ROMPRES in English 1141 GMT 25 Mar 93

[Text] Bucharest, ROMPRES, 25/3/1993—The Union of Ukrainians in Romania wishes to be an apolitical organization meant to mediate contact between authorities and the Ukrainian minority, writes the daily MERIDIAN. Quoting the president of the Union of Ukrainians in Romania, Stefan Tcaciuk [spelling as received], the daily mentions that the Ukrainian minority is spread all over Romania, in Maramures, Banat, Dobrogea and Moldova counties and in the Bucharest Municipality. Also mentioned is that in Maramures, part of the North-West territory of Romania, at the border with the Republic of Ukraine, are living more than 15,000 Ukrainians. The leaders of the Ukrainian minority in Romania show that in Maramures there are twelve schools in which Ukrainian language is taught and that an Ukrainian-language newspaper will be put out soon, while the future local radio station, in Maramures county, will have daily broadcasts covering half an hour in Ukrainian.

The 66,833 Ukrainians living in Romania, according to the census carried out in January 1992, are representing 0.3 per cent of Romania's population and have as representative in Romania's parliament, Stefan Tcaciuk. Currently there are almost 10,000 students of Ukrainian

nationality in Romania trained in Romanian- language schools, but who are also taught the mother language. Worth than fifty groups of Ukrainian language studying are operating in the counties of Suceava, Tulcea, Caras Severin and Maramures. Training courses for teachers in first grade Ukrainian-language schools are also carried on. Teachers of Ukrainian are prepared at the faculty of Slavic languages of Bucharest University.

Conference Participants Sign Declaration

AU2503204193 Bucharest ROMPRES in English 1811 GMT 25 Mar 93

[Text] Bucharest ROMPRES, 25/3/1993—The conference of ministers for human settlements in Central and Eastern Europe continued in Sinaia on March 25.

Before the works began, the guests had an interview with Prime Minister Nicolae Vacaroiu, with local officials.

Debates were resumed today on concrete problems and situations in every country represented there in the domain of human settlements generally and of dwelling in particular. The participants singled out the actions and steps to be taken in common and by every individual country.

A joint declaration was signed by the ministers from the nine countries present in the conference.

Ships Leave Mauritania for Canary Islands

AU2503155293 Bucharest Radio Romania Network in Romanian 1100 GMT 25 Mar 93

[Text] A last minute news item broadcast by the radio station of the Romanian Ocean Fishing Company Tulcea announces that the seven Romanian ships that were operating in the area of Mauritania, namely the Polar 10, Rodna, Sindrel, Cerna, Dimbovita, Agiea, and Pietrosu, left the territorial waters of that country and continue sailing toward the port of Las Palmas, the Canary Islands.

According to statements made to our correspondent Constantin Lamba, Mr. Trifon Belacurencu, deputy prefect of Tulcea County, no particular problems have been reported by the respective ships' crews. The ships are expected to arrive in the port of Las Palmas tomorrow afternoon.

Surdu Warns of Perils of Isolating Russia

AU2403202293 Bucharest ROMPRES in English 1627 GMT 24 Mar 93

[Text] Bucharest ROMPRES, 24/3/1993—"Russia must not be isolated and the unpredictable developments there with incalculable consequences at home and abroad—for Europe but especially for the front-line neighbors, including Romania—must be treated and considered with all the seriousness," Romanian Democratic Agrarian Party (PDAR) President Victor Surdu

told a news conference on March 24, and continued: "Isolating Russia would not be an act beneficial for the planet's morrow day, irrespective of the names of the characters who would hold the primacy in Russia's future political life."

PDAR supports the Russian people's rights to promote its interests for the carrying out of the reform and the building of a democratic system.

UDMR Supports Democratic Forces

AU2403203493 Bucharest ROMPRES in English 1509
GMT 24 Mar 93

[Text] Bucharest, ROMPRES, 24/3/1993—The parliamentary groups in the Romanian Senate and Chamber of Deputies of the Democratic Union of Hungarians in Romania (UDMR) have released a statement regarding the situation in the Russian Federation, that reads inter alia:

"We are convinced that stopping the reform process, as well as a potential restoration that might take place in the Russian Federation, would have immediate effects on stability both in our area and in the entire world.

The parliamentary group of the UDMR is solid with those Russian political forces which have embarked upon the road to democracy and progress and condemns all attempts to stop that process, as creating the danger of a reinstatement of the totalitarian regime."

PAC Expert on Inflation, Financial Issues

AU2603102693 Bucharest ROMPRES in English 0910
GMT 26 Mar 93

[Text] Bucharest, ROMPRES 26/3/1993—"The uncontrolled expansion of credits is a threat for our national economy, while the fiscal policy is aberrant, for only a reduction with 10 percent of fiscality could lead to a lower inflation," expert on economic problems of the Civic Alliance Party (PAC) Nicolae Taranu told a press conference, who also said that the greatest enemy was inflation and that only by a more flexible system of prices and salaries its rate could be kept under control. The Civic Alliance Party is of the opinion that this year's budget is regionally as well as centrally "supercentralized," which was due to a "constitutional loophole," and that there is a certain contradiction between that loophole and the government's strategy.

Approaching the issue of owners of nationalized buildings, he expressed the need for their protection, especially of those who "were not part of the nomenklatura." The Civic Alliance Party recognizes the right to ownership, which does not mean, however, an automatic and physical exercise of this right. The Civic Alliance is for "an equal redemption of those who were owners in the past."

Vacaroiu, Agricultural Union Discuss Priorities

AU2503150493 Bucharest ROMPRES in English 0843
GMT 25 Mar 93

[Text] Bucharest, ROMPRES, 25/3/1993—On Wednesday [24 March] afternoon and in the presence of Romania's prime minister, Nicolae Vacaroiu, a meeting was held at the Government Headquarters with representatives of the Federation of the Employers' Organizations in Agriculture and of the Agrostar Free Trade Union Federations.

Examined were issues regarding an increase in the capitalization of commercial societies, the granting of credits for production with preferential interests, a new survey of the current system of income taxation, the creation of a proper organizational framework for exports and imports in agricultural units, the introduction of a management agreement and a higher involvement of the personnel through new economic levers, apt to increase the production and supply of agricultural produce on home and international markets.

A conclusion was drawn that the issues raised by the representatives of the two federations were fair and that, in a short period, the Ministry of Agriculture and Food, the representatives of the employer's organization and of the unions will advance suggestions for a solution to these issues.

Premier Nicolae Vacaroiu expressed his openness for a new meeting at the Ministry of Agriculture and Food to study together with experts in relevant sectors of other issues confronting Romania's agriculture.

Government Allegedly Neglecting Agriculture

AU2603121893 Bucharest ADEVARUL in Romanian
22 Mar 93 p 2

[Article by A. Papadiuc: "The Government Continues the Same Harmful Policy Toward Agriculture; No National Currency Available for Sowing, But Dollars Are Spent on Imports"]

[Text] Lately grand expressions can be heard in Parliament and in government sessions, such as "absolute priority," "particular attention," and "major importance," which are being used increasingly frequently by the legislative body and the executive so as to make public opinion believe that effective support will be given to the revival of agriculture this year. It would be good if it were so! Unfortunately, the real situation in agriculture leads one to completely opposite conclusions. It seems that again we are listening to boring expressions, which are good for lulling children to sleep, and are meant to create a deceitful calm. Let us explain...

The spring campaign is approaching....

—There are still over 1.4 million hectares left to plough.

—Although fertilizers have been promised, systematic fertilization has not been carried out on 1.7 million hectares sown with cereal.

—Corn grain, sunflower seed, beetroot grain and others for this spring's sowing of 6 million hectares of farmland were purchased by agricultural producers in insignificant proportions.

—The repair of tractors and agricultural machinery—greatly reduced as it is—was carried out in accordance with what spare parts were available, so 30 percent of them are still out of commission.

—The law on land leasing has not yet been adopted, without which the utilization of agricultural facilities cannot be organized, mainly in the case of the 40,000 landowners who cannot till their land.

One could add here many other "deficiencies" in the fields of irrigation, animal breeding, and fruit growing, which will create major production shortfalls. Thus, no matter how we would like to idle away our time, we cannot afford to do so.

Agriculture cannot revive itself. The good intentions that have been so broadly proclaimed at each government session will have to take concrete shape. A radical change

to put things rapidly on a normal footing would have ensured the necessary funds for the development of the production process. "Everybody knows"—said Mr. Ioan Oancea, minister of agriculture and food, on taking office—"that without money one cannot have agricultural production." However, history is repeating itself. Precisely like the Roman or Stolojan governments, the Vacaroiu Government has not understood this simple truth, either.

Here are a few deplorable facts. In order to carry out a more or less normal activity this year, the Ministry of Agriculture has asked the executive to grant 200 billion lei to agriculture, which represents the minimum necessary funds calculated at the lowest level. After a profound analysis, the government has approved a ceiling of 100 billion lei, which is half the required amount! But more than that, the last word belongs to the great financial bodies—meaning the banks—which are hanging, drawing, and quartering in this area. And thus, the ceiling of funds allocated for agriculture is lowered to 65 billion lei. From this amount, actually only 20 billion lei have been handed over to agriculture. Or a tenth of the minimum amount necessary.

Morillon Discusses Possible Cease-Fire With Mladic

AU2603124493 Paris AFP in English 1204 GMT
26 Mar 93

[Text] Belgrade, March 26 (AFP)—General Philippe Morillon, the commander of U.N. troops in Bosnia, held talks here Friday [26 March] with the military leader of Bosnian Serbs in a bid to obtain a cease-fire in Bosnia-Herzegovina.

An AFP reporter said Morillon and General Ratko Mladic began their negotiations with the commander of the U.N. Protection Force in former Yugoslavia, General Eric Lars Wahlgren, U.N. civilian affairs chief Cedric Thornberry and U.N. High Commissioner for Refugees special envoy Jose Maria Mendiluce.

The number two of the Bosnian Serb military, Milan Gvero, was also in attendance.

Morillon Could Seek Mandate Change if Srebrenica Falls

AU2603095593 Paris AFP in English 0947 GMT
26 Mar 93

[Text] Belgrade, March 26 (AFP)—General Philippe Morillon said Friday [26 March] he may seek a change in the mandate of the UN Protection Force [UNPROFOR] in Bosnia if the Muslim enclave of Srebrenica in eastern Bosnia fell to Serb forces.

Morillon told journalists that that if Srebrenica was captured by the Serbs, "I would then approach the UN Security Council to say that my mission is impossible, and would possibly ask for a change in the UNPROFOR mandate."

Morillon, the commander of UN troops in Bosnia, did not say what modifications he had in mind.

European Observer Cited Claiming Morillon 'Deceived' Serbs

LD2503222293 Belgrade TANJUG in English 1916
GMT 25 Mar 93

[Text] Zvornik, March 25 (TANJUG)—Member of a mission of European observers, Colonel Alan Chevson on Thursday [25 March] confirmed in a talk with representatives of the Serb republic [of Bosnia-Herzegovina] in Zvornik, a town in eastern Bosnia-Herzegovina, that U.N. Protection Force (UNPROFOR) commander for Bosnia-Herzegovina, General Philippe Morillon had deceived both the European observer mission and the Serb side.

I am surprised that only 44 Serbs from a list drawn up previously on another basis had left Moslem-controlled Tuzla in eastern Bosnia-Herzegovina, Col. Chevson told TANJUG when he was asked what he thought of Gen. Morillon's failure to secure the evacuation of the agreed

number of Serbs from Tuzla (the same number as the number of Moslems who left Srebrenica on Wednesday—684).

Asked if this was actually yet another in a series of deceptions of Bosnian Serbs in which Gen. Morillon also took part this time, Col. Chevson said that it was.

Col. Chevson said that many things were odd about the negotiations conducted by Gen. Morillon and that he really did not think that the result of those negotiations would be as it turned out.

During the talks in Zvornik, Col. Chevson said that the Serb side was doing everything to resolve problems, contrary to the Moslems, who were in various ways making difficulties in the evacuation of around 18,000 Serbs from Tuzla.

The Serb side repeated its demand that all Serbs who wish to leave be allowed to leave Tuzla, like the Serb side allows Moslems.

"Gen. Morillon did not fulfill his promise given when the Serb side enabled him to evacuate 684 Moslems from Srebrenica to Tuzla, because, according to that agreement, the same number of Serbs was to have been evacuated from Tuzla," President of the Exchange Commission of the Serb republic [of Bosnia-Herzegovina] Vojislav Djurkovic told TANJUG today.

At the asking of the Moslem side and through the mediation of Col. Chevson, who is a member of the European observer mission at the regional center in Belgrade, the authorities of the Serb republic [of Bosnia-Herzegovina] permitted 500 Moslems to leave Tuzla for several European countries from March 4-18.

In return, the Moslem authorities of Tuzla accepted the obligation to enable also 500 Serbs to leave Tuzla and the list of Serbs was made up and verified by all parties concerned.

However, only 44 Serbs were evacuated from Tuzla on Wednesday from the list of 500 that was agreed in early March and not on the grounds of the evacuation of Moslems from Srebrenica which took place on Wednesday, Djurkovic explained.

Romanians, Russians Reportedly Fighting With Serbs

AU2503205793 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1800 GMT 25 Mar 93

[Excerpt] Today the Army of Bosnia-Herzegovina stopped the offensive by the aggressor from Serbia and domestic chetniks against Srebrenica coming from the direction of (?Krazivoda). This was reported by the press center of the Srebrenica forces headquarters. The advance of the aggressor infantry and armored-mechanized units has been stopped.

[Begin recording of unidentified reporter] The fiercest fighting between chetniks and the army of Bosnia-Herzegovina is currently taking place near the village of Turije, where attacks are being launched by special units of mercenaries from Serbia, Romania, and Russia. In heavy fighting east of the industrial zone of Zeleni Adar this morning, our forces had significant successes. In the heavy fighting against a much superior enemy, our fighters, putting up a superhuman fight, destroyed one tank. A large group of chetniks and two tanks are also surrounded. [passage omitted] [end recording]

Serbs Allow Morillon To Cross Border

AU2503144293 Paris AFP in English 1423 GMT
25 Mar 93

[Text] Paris, March 25 (AFP)—Bosnian Serb forces permitted U.N. commander General Philippe Morillon to leave Bosnia-Herzegovina for Belgrade Thursday [25 March] after blocking his convoy near the Moslem-held town of Tuzla, reliable sources said here.

The French general entered Serbia shortly after noon, they said.

Morillon is expected to meet with Serbian President Slobodan Milosevic to seek help in pressuring Bosnian Serbs to call off their offensive against the besieged Moslem enclave of Srebrenica so that hundreds of wounded can be evacuated from the town.

Tuzla Authorities Link UN Forces to Serb Actions

AU2503180193 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1400 GMT 25 Mar 93

[Report by correspondent Salih Brkic]

[Text] Everything that has recently been happening in the Drina Basin and the Tuzla region is obviously yet another dirty game of the aggressor and chetniks in which the UN Protection Force [UNPROFOR] appeared among the (?shadow) players for no reason whatsoever. An attempt is now being made to extract political (?concessions) and set ultimatums via General Philippe Morillon and UNPROFOR for the future negotiations in New York on the internal organization of the Republic of Bosnia-Herzegovina.

This is the first message in today's joint statement by the Tuzla regional assembly and government, the Tuzla communal assembly and executive council, and the command of the 2d Corps of the Armed Forces of Bosnia-Herzegovina in Tuzla.

The consequences of the bloody war imposed on Bosnia-Herzegovina and the aggression by Serbia and Montenegro are: 1 million displaced people, hundreds of thousands slaughtered, and more than 30,000 rapes. Despite this, however, it appears that all this horror was not sufficient for the international community to see what kind of war is being waged in Bosnia-Herzegovina.

We are therefore forced by the international community to allow through our good will the departure of about 450 Serbians from Tuzla in the next 15 days—including some seriously wounded, foreign citizens, and members of displaced families—thus respecting the laws of Bosnia-Herzegovina.

We consider our agreement to this, even though this was forced from us and made conditional upon further negotiations in New York, as yet further proof of our goodwill and wish for a just peace. The statement issued by the regional and communal authorities of Tuzla and the command of the 2d Corps, however, stresses that since the beginning of the evacuation of the wounded from the Drina Basin, direct or indirect political demands and ultimatums have been primarily made by UNPROFOR, particularly by Gen. Morillon and the EC, something that fully endorses the concept of ethnic cleansing, which in turn renders legitimate everything the chetniks and the Serbian-Montenegrin aggressor have been doing throughout the war.

Therefore, if this needs to be repeated, the Tuzla authorities stress: Members of the Serbian nationality in Tuzla live freely, enjoy the same rights as Muslims and Croats, and are equally poor and hungry. Having allowed the departure of these 450 people, we ask the aggressor side to finally facilitate the free departure of the citizens and residents of the Republic of Bosnia-Herzegovina from the territory of these two aggressor countries. Our position is fully compatible with the stand of the UN High Commissioner for Refugees. We jointly warn UNPROFOR in the Republic of Bosnia-Herzegovina that they are here to implement the resolutions and charters on human rights and not authorized to get involved in politics or take part in ethnic cleansing in this suffering but defiant and proud country of Bosnia-Herzegovina, the message from Tuzla states.

One more message: No new demands or political ultimatums from UNPROFOR, who claims to be a mediator between chetniks and the civil authorities of Bosnia-Herzegovina, will be considered. Therefore, the regional and communal authorities of Tuzla and the command of the 2d Corps have said what they had to say. It would be good if UNPROFOR leaders could stop the game in which they should not be involved at all. On the first spring night, hundreds of unfortunate people from Cerska and Srebrenica, including some seriously wounded people, were transported in trucks to Tuzla for hours with the few things that they have, while the 50 members of Serbian nationality yesterday traveled in comfortable buses from Tuzla, accompanied with several UNHCR [Office of the UN High Commissioner for Refugees] trucks for their belongings. This should be clear confirmation of the side that compassion should be with. It is obvious, however, that some of the players in the game do not see that.

Evacuation of Serbs From Tuzla to Continue

LD2503213393 Belgrade TANJUG Domestic Service in Serbo-Croatian 2017 GMT 25 Mar 93

[Text] Zvornik, 25 Mar (TANJUG)—Representatives of the Serb republic [of Bosnia-Herzegovina] and the Muslim authorities in Tuzla reached an agreement this evening on continuation of the evacuation of Serbs from Tuzla. Vojislav Djurkovic, chairman of the commission for the exchange of prisoners for the Ozren, Majevisa, and Semberija region told TANJUG's correspondent.

During a meeting between Djurkovic and Marko Dzuspara, chairman of the Tuzla commission for the exchange of prisoners, through an amateur radio link, an agreement was reached that a new group of Serbs—from the previously agreed list of 500 people—will be evacuated from Tuzla at the end of the week.

Djurkovic stressed that this exchange has nothing to do with the mission started by the UN commander for former Bosnia-Herzegovina, General Philippe Morillon. After the evacuation of 684 Muslims from last week Morillon failed to evacuate the corresponding number of Serbs from Tuzla, although an agreement to do so was reached.

Joint U.S.-French-German Aid Airdrop Cancelled

LD2603011493 Belgrade TANJUG in English 2352 GMT 25 Mar 93

[Text] Belgrade, March 25 (TANJUG)—The United Nations has called off a humanitarian aid airdrop for the population of the former Yugoslav Republic of Bosnia-Herzegovina scheduled to be carried out on Thursday [25 March] night by a formation of three aircraft—one each from the German, French and U.S. Air Forces, the U.S. forces' command in Frankfurt said on Thursday evening.

The AFP news agency said the action planned for the night between Thursday and Friday was to have been the first involving French and German transport aircraft in the "Provide Promise" action, which began on March 1.

Although the U.S. authorities have said the aid would be parachuted to all nationalities in Bosnia-Herzegovina, thus far it has been dropped only over Moslem-controlled areas.

No reason was given for the cancellation—the U.S. Forces said only that the crews of three U.S. Air Force planes were preparing in the Rhein-Main Air Base near Frankfurt to take off on a new mission on Thursday night.

The German Government announced its decision to take part in "Provide Promise" on Wednesday.

The Bosnian Serbs are strongly opposed to German participation in the operation, on account of Bonn's role in the disintegration of the former Yugoslav federation and the atrocities committed by the German forces in territories of former Yugoslavia during the two world wars.

U.S. Transport Planes Carry Out 26th Aid Airdrop

LD2603120593 Belgrade TANJUG in English 1121 GMT 26 Mar 93

["Pool" item]

[Text] Belgrade, March 26 (TANJUG)—Three U.S. transport planes dropped 16 tons of food and medicine of aid to Moslem-held Srebrenica in eastern Herzegovina where an ethnic war is raging, on Thursday night [25 March].

Since the start of the airdrops on February 28, aid has been dropped exclusively to Moslems in eastern Bosnia, even though the Americans say that aid is being dropped to all in Bosnia, regardless of nationality. A total of 754 tons of food and 24.2 tons of medicine have been dropped to Moslems in Srebrenica so far.

German transport planes have not taken part in the action, as was expected, said REUTER News Agency.

Germany's Defence Ministry said that the United Nations High Commissioner for Refugees (UNHCR) had said that conditions had not yet been met for the participation of German planes in the operation. No other details of the decision were released.

German Chancellor Helmut Kohl gave his approval two days ago for the participation of German transport planes in humanitarian operations over Bosnia-Herzegovina.

French planes at the Rhein-Main base in Frankfurt are waiting to join U.S. transport planes. It is still not known when they will take off.

Izetbegovic Sets Eight Conditions for Signing Plan

AU2603114993 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 0900 GMT 26 Mar 93

[Excerpt] [passage omitted] After signing all the documents of the Vance-Owen peace plan, Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, said that he had done so following the promise by the United States that the present arms embargo against Bosnia-Herzegovina would be lifted if the Serbian aggression continued. Izetbegovic said that he had given one to two months to the international community to implement the Vance-Owen plan. If it is not done, he stated, we will withdraw our signature. He added that there were certain measures that could be taken immediately. Izetbegovic told the reporters in New York that he had set down eight conditions for the signing of the document.

After signing the peace plan for Bosnia-Herzegovina, President Izetbegovic held a new conference in New York, where he explained why he had signed the peace documents. The state delegation of Bosnia-Herzegovina takes the following views on signing the peace plan, President Izetbegovic said:

First, regardless of whether all sides sign the documents today, the Bosnia-Herzegovina delegation believes that the international community is obliged to protect the independence and territorial integrity of Bosnia-Herzegovina as a country under attack, in accordance with the UN Charter, international law, the decisions of the London conference, and particularly the relevant UN Security Council resolutions regarding the aggression on Bosnia-Herzegovina.

Second, our signatures to the proposed documents will be considered invalid if:

a) all the interested parties, particularly the aggressor's, do not sign the documents without alteration or reservations within a limited period of time;

b) the international community does not undertake prompt and effective measures for the implementation of the signed documents [word indistinct] in the way that the situation imposes;

c) the aggression continues;

Third, no part of the signed documents can be interpreted as endangering the integrity and sovereignty of Bosnia-Herzegovina as an independent, indivisible, and unitary state. On the contrary, the signed agreement must be interpreted only in terms of protecting and strengthening that integrity.

Fourth, it is implied that individuals declared war criminals, or those suspected of instigating or committing war crimes on the territory of Bosnia-Herzegovina, cannot and will not be appointed to positions of state, not to the transitional presidency nor to the transitional government.

Fifth, the Bosnia-Herzegovina Government delegation requests that the international community and the Security Council persevere in its efforts to complete the formation of the international war crimes tribunal for crimes committed on the territory of Bosnia-Herzegovina and the former Yugoslavia.

Sixth, regardless of the signing of the document today, the Bosnia-Herzegovina delegation states that the aggression must be halted and its consequences removed by returning the situation to how it was before the war by peaceful means, but the delegation does not give up the country's legitimate right to self-defense in accordance with Article 51 of the UN Charter. Therefore, if the peace efforts prove to be fruitless, the Presidency and the government will undertake all necessary measures to protect the people. The Security Council will then be expected to lift the arms embargo against Bosnia-Herzegovina immediately.

Seventh, the Bosnia-Herzegovina delegation expresses its gratitude to the United States and its special envoy to the talks, ambassador Reginald Bartholomew, for a constructive contribution in overcoming the difficulties that the talks occasionally faced.

Eighth, the state delegation is submitting this statement together with the signature on the document to the international conference on the former Yugoslavia with the request that it be enclosed with the other official documents of the conference.

Muslims Reportedly Attack Croatian Villages

LD2503132293 Zagreb Radio Croatia Network in Serbo-Croatian 1200 GMT 25 Mar 93

[Report by correspondent Slavko Rako "from Herzegovina"]

[Text] Following a relatively peaceful night in the Konjic area, during which Muslim forces engaged in fresh movements and taking up positions around Croatian villages, this morning the Muslim forces launched an attack from the direction of Jablanica and Ostrozac on Kostajnica and Balanovo Brdo. More than 30 mortar rounds fell on exclusively civilian facilities. The Muslim forces in the area of Klisa captured a large number of Croats and are trying to provoke fresh conflicts. According to latest findings by the defense department of the Croatian Defense Council, a truce followed the attack by the Muslim forces.

The same source reported that Bruno Stojic, head of the defense department of the Croatian Defense Council, and Brigadier Milivoje Petkovic, chief of general staff of the armed forces of the Croatian Defense Council and officials of the Fourth Corps of the Bosnia-Herzegovina Army have left Mostar for Jablanica. The objective of their journey is to help normalize the situation.

The southeastern Herzegovina battlefield was quiet this morning. It was also relatively peaceful overnight, with only a few provocations by the Serb aggressor. Antiaircraft guns opened fire at the foot of Mount Velez, while 29 mortar rounds were fired on Stolac last night. Livno battlefield has been peaceful, with only sporadic sniper provocations.

HVO, Army Fighting Spreads to Jablanica

AU2503154793 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 25 Mar 93

[Text] According to our correspondent Fahro Dervisbegovic, yesterday afternoon the clashes in the Neretvica River valley between the units of the Croatian Defense Council [HVO] and the Bosnia-Herzegovina Army spread to the Jablanica commune. There is a feeling of bitterness, disappointment, and surprise as the truth came out that Ostrozac had been fired on by the Croatian Defense Council snipers, antiaircraft machine guns, and M-84 machine guns. This news has caused

anxiety among the people of Ostrozac and the entire Jablanica region. The Croatian Defense Council members fired an anti-aircraft machine gun and a machine gun at civilian targets, even at a school where refugees from eastern Bosnia are housed. They were no casualties, and the material damage is insignificant. The Bosnia-Herzegovina Army units did not return fire. The Jablanica War Presidency is closely following the political and security situation, and is in constant session discussing the development of the situation. Our correspondent reported that there was no fighting during the night and this morning.

Croats, Muslims Agree to Cease-Fire at Konjic

LD2503171793 Zagreb Radio Croatia Network in Serbo-Croatian 1600 GMT 25 Mar 93

[Excerpt] Today in Konjic, a meeting between Croatian Defense Council [HVO] officials and the Bosnia-Herzegovina Army from Mostar was held in connection with armed clashes between members of the HVO and Muslim forces in the area of Konjic. A decision was adopted to immediately establish an absolute cease-fire, return all formations to their positions before the clashes broke out, cease all military movements, secure return of refugees, release POWs [prisoners of war], and free all roads for the unhindered flow of people and goods. A joint commission has been set up tasked with examining all circumstances around the clashes. In the afternoon, the participants of the meeting set off to inspect the battlefield. The HVO defense department has said that clashes died down at noon. [passage omitted]

Bosnian Croats Accuse Muslims of Ethnic Cleansing

LD2503143293 Belgrade TANJUG in English 1403 GMT 25 Mar 93

[Text] Zagreb, March 25 (TANJUG)—The command of the Army of Bosnian Croats has said that Moslems, with their attacks on the Konjic and Jablanica regions, wanted to "cleanse ethnically" this area of Herzegovina.

An announcement from Mostar, monitored on Thursday [25 March] by the Croatian press in Zagreb, warned that these attacks by the Moslem Army, "inflicting heavy human and material losses, were in keeping with a plan to force Croatian population to leave their homes."

Moslem attacks in Konjic and Jablanica hence "go beyond the proportions of outbursts or random actions," the announcement said.

Conflicts outside Konjic started on Tuesday, writes the Zagreb VJESNIK daily and adds that Moslem forces "on Wednesday intensified attacks on Croatian villages and Croatian forces" in the region.

In Mostar it is asserted that the Croatian armed forces had observed a ceasefire agreed on Tuesday, that they had set free all the prisoners, whereas the Moslem forces

"took advantage of the cease-fire to regroup, to encircle Croat villages and to move in reinforcements."

Since the outbreak of nearly one-year-old interethnic, religious and civil war in the former Bosnia-Herzegovina, Croats and Moslems have been allies in their fight against Bosnian Serbs, although neither do Croats accept unitary Bosnia-Herzegovina modelled after the Moslem leader Alija Izetbegovic.

After the publication of the Vance-Owen plan on the division of former Bosnia-Herzegovina into ten provinces, the earliest fierce conflicts broke out between Moslems and Croats for winning military and political supremacy in ethnically mixed provinces.

TANJUG Reports 'Fierce' Croat-Muslim Clashes in Konjic

LD2503232993 Belgrade TANJUG in English 2258 GMT 25 Mar 93

[Text] Konjic, March 25 (TANJUG)—Fierce fighting broke out on Thursday between Bosnian Croats (Croatian Defence Council—HVO) and Moslem forces in the town of Konjic, in Herzegovina.

Bosnian Serbs, whose positions overlook the town, say that the fighting continues in the evening hours and that a huge blaze also broke out during the day, most probably in one of the local factories.

The latest clash between the Croat and Moslem Armies is the direct result of the recent arrests by the HVO of the president of the Konjic war presidency, the local police head and his deputy.

Clashes between Croats and Moslems, who are allies in the war against the Bosnian Serbs, began several months ago in central Bosnia, and are gradually spreading to parts of Herzegovina which have mixed populations.

French Battalion Reportedly Fired on in Sarajevo

LD2503173993 Paris France-Inter Radio Network in French 1700 GMT 25 Mar 93

[Text] We have heard this afternoon that the headquarters of the French battalion stationed at the Sarajevo airport has been the target of machine-gun and automatic weapons fire this afternoon. One person was slightly injured, and material damage was caused.

Commentator Assesses Clinton Statement on Peace Plan

AU2503204093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1400 GMT 25 Mar 93

[Text] In his interview with BBC Television, President Clinton said that the United States would agree to safeguard peace in Bosnia-Herzegovina with other nations if the warring sides accepted the peace plan. Clinton added that a way must be found to implement the Vance-Owen peace plan. If the Bosnians and Croats

sign the plan and the Serbs do not, then we would have to reexamine other ways of giving the Bosnians the means to at least defend themselves, President Clinton said. Here is a commentary by Zijo Dizdarevic on President Clinton's statement.

[Dizdarevic] Clinton has spoken. The United States will take part in the international forces for the implementation of the peace plan only if the plan is signed by all three sides. If the chetniks do not accept the plan, the White House will look for other ways to ease the struggle of the legal authorities of Bosnia-Herzegovina, that is to say, its Army.

The first option is now highly improbable. So, what can we expect in case the chetniks reject the plan? First of all, the lack of a direct international threat encourages the great Serbian barbarians and fascists to carry on with the aggression intended to physically debase the state of Bosnia-Herzegovina and annex a large part of its territory to Serbia and Montenegro. What kind of help can we expect? In any case, any help is uncertain in terms of both time and substance. This is confirmed by the delay concerning adoption of a resolution on international military protection of the Bosnia-Herzegovina skies. Even if such a resolution was adopted as part of the measures of support to our struggle, this would not limit the main force and advantage of the aggressor, which is made up of armored mechanized vehicles and heavy artillery.

It could be assumed that Clinton also had in mind direct help to our armed defenders. The effect of this support would depend on when, who, how, and what kind of weapons would be given to us. There are too many questions in connection with this in order to believe in quick and adequate materialization of this promise.

New indirect pressure on the aggressor through continued political and economic blockade of Serbia and Montenegro is also possible. This is perhaps the only possible way to make Milosevic agree to a peace plan through Karadzic's signature. It is certain that with this agreement the pressure on his regime would quickly subside if he, of course, establishes that he needs at least a break in his hegemonistic actions.

The experience so far tells us that the chances of this are small. The continuation of the aggression would also endanger the position of UNPROFOR [United Nations Protection Force] and further humanitarian action. With its current mandate and inadequate protection in combat, the role of the blue helmets and the humanitarian corps would virtually be impossible. The departure of UNPROFOR and the end of humanitarian actions would in fact mean that the UN is giving up on Bosnia-Herzegovina completely.

It would be logical, therefore, to redefine the mandate of the UN forces. Under the present situation, this is very complicated. In addition, major issues would emerge again between [Bosnian President Alija] Izetbegovic,

[Bosnian Croat leader Mate] Boban, and [Croatian President Franjo] Tudjman. Is Bosnia-Herzegovina threatened with the option within which the current policy embedded in the creation of Herzeg-Bosnia would make the Croatian Defense Council decide to close itself in its own sphere of interests and give up the idea of fighting the aggressor.

It is being indicated that our delegation will probably sign the peace plan. (?This) is not enough. Nor is verbal pressure on the chetniks sufficient to obtain their signature.

Muslims Continue Push To Take Visegrad Power Plant

AU2503154293 Belgrade Radio Beograd Network in Serbo-Croatian 1400 GMT 25 Mar 93

[Report by Visegrad correspondent Radoje Stasic]

[Text] Muslim army positions in Gorazde and Medjedja have been staging a fierce offensive on free Serbian territory around Visegrad for three days. The green berets are constantly attacking the combat positions of the Serbian army between Medjedja, Brodar, and Orahovci. Hordes of Islamic fanatics, reinforced with groups from Gorazde, are trying to reach the Visegrad hydropower plant through the valleys of the Lim and Drina Rivers.

'Large Number' of Serbs Reportedly Joining Army

AU2603121093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1100 GMT 26 Mar 93

[Report from Doboj by Operative Group Seven-South of the Bosnia-Herzegovina Army's Second Corps]

[Text] Even though the front line in the villages of Planja and Mrkotic became in the latest chetnik offensive the graveyard for over 100 Serbian men, while the delta of the Usora River and the Bosna River a graveyard for chetnik tanks, the insane [Serb] Colonel Letica and his officers are not giving up these suicidal attacks on Tesanj, Maglaj, and the free Doboj territory. They keep forgetting that the occupied city of Doboj, according to the international talks and plans, is not part of any phantom Serbian republic, or even a part of some Serb province in Bosnia-Herzegovina.

The fury of the citizens at all the destruction and killing of civilians on our free territory is such that, after the chetnik offensive was smashed, there was a mass enrollment in the Bosnia-Herzegovina Army with the clear wish to kick the fascists out of Doboj as soon as possible. There are a large number of Serbs among the volunteers, particularly from the villages of (?Vedakovo) and Stojcinovici. The chaos in the chetnik ranks, and in occupied Doboj generally is worsening. The citizens of Doboj now have a chance to see for themselves the catastrophic defeat of the chetnik tanks at the Usora delta, a defeat concealed by the propaganda of the so-called Serbian

Radio Dobo. These days they are secretly watching in their apartments the videotape of that catastrophic defeat. According to our reliable information, the demand for this videotape is increasing daily.

TANJUG Claims Muslim Plot to Kill Izetbegovic

LD2603131593 Belgrade TANJUG in English 1255
GMT 26 Mar 93

[Text] Banja Luka, March 26 (TANJUG)—Five members of a terrorist Moslem group, recently captured near Novi Grad (northwestern Bosnia-Herzegovina), admitted their aim was to assassinate the chief opponents of Alija Izetbegovic, the leader of Moslems in the war-stricken former Yugoslav republic.

Bosnian Serb military sources said on Friday [26 March] that one of the group's primary tasks was to assassinate Fikret Abdic, the Moslem leader in the Moslem enclave of Cazin Krajina in northwest Bosnia.

The group was also assassinate President of the Moslem Bosnian Organization (MBO) Adil Zulfikarpasic and other Bosnian Moslem leaders who oppose the setting up of a unitary Islamic Republic of Bosnia-Herzegovina, Bosnian Serb military sources said.

The captured group is just a small part of the large "Tanzif" (Cleansing) operation. Its members were secretly trained in Zagreb, the capital of breakaway Croatia, Bosnian Serb military sources said.

The group was armed with state-of-the-art weaponry of Western make.

Bosnian Serbs Object to 'Anti-Serb Campaign'

LD2503221293 Belgrade TANJUG in English 2028
GMT 25 Mar 93

["Pool" item]

[Text] Belgrade, March 25 (TANJUG)—The Ministry of Information of the Serb republic [of Bosnia-Herzegovina] on Thursday [25 March] sent a letter to Presidents Dobrica Cosic of Yugoslavia and Slobodan Milosevic of Serbia in which it draws their attention to the latest media and political campaign against the Serb people.

One of the objectives of the latest anti-Serb campaign, said the letter, is to distract world attention from present offensives in Herzegovina by regular forces of the

Republic of Croatia, which are heavily shelling vital civilian objects in the Serb town of Trebinje, northeast of Dubrovnik, from the territory of Croatia.

The campaign supports also the demand of Bosnian Moslem leader Alija Izetbegovic for help in stopping the local conflict in eastern Bosnia at a time when his forces are losing at the front and when he is expected to end the war in all of Bosnia-Herzegovina.

Presidents Cosic and Milosevic are warned that the incident in Srebrenica when two Canadian U.N. troops were wounded in an artillery attack on a United Nations Protection Force (UNPROFOR) helicopter at a stadium in that Moslem-controlled town in eastern Bosnia was used as the reason for this new anti-Serb campaign.

The letter says that the British Broadcasting Corporation (BBC) regularly left out parts of statements by Bosnian Serb leader Radovan Karadzic in which he denied accusations that members of the Bosnian Serb Army had attacked the helicopter.

Other Western media and Moslem media in Sarajevo took an identical stand on this incident, although top representatives of the Army of the Serb Republic had denied the possibility that Serb forces had executed the attack, said the letter.

Karadzic ordered free passage for all humanitarian convoys for Srebrenica and the evacuation of the local civilian population and the most heavily wounded, which was fully respected in the field, the letter pointed out.

This also points to the conclusion, said the letter, that the provocation of incidents at a time when difficult and sensitive peace talks are underway in New York benefits only the Moslem side, which had resorted to this tactic on earlier occasions as well.

The letter recalled incidents such as the massacre of civilians in Djure Djakovic Street in Sarajevo or mourners at a funeral, or many other staged attacks on civilians, for which, even for a brief time, the Serb side was blamed.

UNPROFOR force commander for Bosnia-Herzegovina, French General Philippe Morillon recently said that members of the Moslem police under the command of Naser Oric had left the town of Srebrenica and were in the mountains around this town, so that this detail indicates the conclusion that the attack on the stadium could have been executed with such precision only by their artillery, the letter said.

Commission Works On Fixing Border with Slovenia

AU2503113593 Zagreb VJESNIK in Serbo-Croatian
17 Mar 93 p 3

[Report by Drzen Jambrovic: "First - Controversial Places"]

[Text] Zagreb—"The 546 kilometer long border between Croatia and Slovenia is a source of luck for the two countries and it forces us to maintain good neighborly relations and a wise partnership," said Davorin Rudolf, chairman of the Croatian State Commission for Borders, on Tuesday [16 March], when he greeted the members of the expert, joint Croat-Slovene working group for establishing and marking the border between the two states, who met in order to establish the demarcation line between Croatia and Slovenia.

Davorin Rudolf stressed that the solving of controversial issues, especially Piran Bay, should be given priority. He also said that St. Gera [small mountain on the Slovene-Croat border] was straining Croat-Slovene relations, although it had been agreed at the highest level in both states that this was not a controversial issue. He expressed satisfaction that the geodetic experts, who had worked on Monday, were able to reach an agreement and find a solution to almost all the issues regarding the border in the area of the Croatian municipalities of Cakovec, Varazdin, Ivanec, and Krapina.

On the Slovene side, the joint expert commission is headed by Borut Bohte, (other members are Mirjana Skrk, Bogo Grafenauer, Bozo Demsar, Joze Rotar, and secretary Gorazd Gorenc), and on the Croatian side, the commission is headed by Vladimir Ibler, (other members are Ljubo Boban, Branimir Gojceta, and Zelimir Seissel). The commission members were greeted by Matija Malesic, Slovene ambassador in Zagreb, who wished them success in their work. Before the joint Croat-Slovene commission for establishing the border began its work, Vladimir Ibler explained the basic principles for establishing a border in the sea, as stipulated by international law.

Explaining how the expert groups, comprised of lawyers, geodesists and historians, work, Ibler said that they do not have the authority to make decisions, but only to draw up proposals which will then be forwarded to the governments of the respective states.

As our sources have it, in the talks on Tuesday, only the basic issues regarding Piran Bay were discussed. The Slovene side stands firm in its request to keep the entire bay, St. Gere, or Trdinov vrh as the Slovenes call it, was not discussed in detail. It is known that the Croatian side insists that Slovenia leaves Trdinov Vrh as soon as possible.

The border between Croatia and Slovenia is 546 kilometers long. Out of this, 306 kilometers are land and 240 kilometers are sea. In preparation, the experts on both

sides have prepared cartographic outlines which will be the basis for establishing the borderline. This will be done partly in offices and partly in the field. In order to make this task easier, the whole border area has been divided into 11 sectors. According to the Slovene experts, 10,000 boundary stones will be needed for the entire border. It must be said that the task of establishing and marking borders is not an easy one, it cannot be done quickly, it takes several years. Therefore, it cannot be expected that establishing the border between Croatia and Slovenia is something that can be done overnight.

Manolic Admits Violation of UN Treaty at Maslenica

LD2503200393 Belgrade TANJUG in English 1853
GMT 25 Mar 93

[Text] Belgrade, March 25 (TANJUG)—President of the Chamber of Counties of the bicameral Croatian Parliament Josip Manolic has admitted that Croatia violated an agreement with United Nations (U.N.) representatives by occupying the region of Maslenica, a strategically important point in the south of the Republic of Serb Krajina which is a U.N. Protected Area (UNPA).

"We are completely clear morally and according to some standards of international law, but, then again, we are not clear because we have violated an agreement reached with U.N. representatives," Manolic said in an interview to the Zagreb weekly GLOBUS, speaking about Maslenica.

Croatia on January 22 launched an unprovoked attack on the Republic of Serb Krajina and the attacks continue to this day. Croatia has occupied the Maslenica bridge, Zemunik airport, the Peruca dam, despite the fact that it has accepted the U.N. peace plan drawn up by international mediator Cyrus Vance. The plan envisages that the Serb people in Krajina be placed under U.N. protection until a solution is found politically for this region of former Yugoslavia.

Denying Serbs in Krajina the right to self-determination, the international community, pressured by Croatia's ally Germany, recognized the independence of Croatia within its former administrative borders—the internal boundaries of the former Yugoslavia. Croatia forcibly seceded from former Yugoslavia, and since that time, Croatian leaders have threatened Krajina Serbs that they will restore Croatian power in the territory of Krajina even by force if necessary.

Manolic said that Croatia was not planning to resolve the "Serb issue" in its territories using military means, but would "do its utmost to arrive at a peaceful solution."

Croatia, however, has continued to attack Krajina for two months, ignoring U.N. Security Council Resolution 802 which orders the unconditional withdrawal of armed forces to earlier positions. During the latest round of talks in Geneva this week, Croatia refused to allow the

U.N. protection force in former Yugoslavia (UNPROFOR) to take over control of the Maslenica bridge and other occupied strategic objects, as the Serb side had proposed, but demanded that Croatian police remain in those positions.

Speaking to the GLOBUS reporter, Manolic also said that he would leave the office of head of Croatia's intelligence service during the week.

Krajina, Croatia, New York Talks Assessed

93BA0708B Zagreb VJESNIK in Serbo-Croatian 26 Feb 93 pp 18-19

[Article by Milan Jajcinovic: "Caesar and the Bandit Leaders"]

[Text] Once at a Serbian convention outdoors in Srb, right after Dr. Jovan Raskovic announced that the Serbs actually no longer recognized Croatia, a mustachioed elderly man with a Banija-style hat on his head and an unfinished bottle of beer in his hand started for a nearby bush to piss. At the shout: "Milos, where have you been!" he turned and rushed to meet his friend. "So what do you say, huh?" the elderly man asked him. "A great day for us Serbs." "Yes," said the man with the mustache, his entire face beaming, adding as he went: "What was far off has moved close."

While the elderly man with the mustache urinated behind the briar bush, a few steps further on a flushed Vojislav Seselj and five or six young men wearing the shajkacha [cap worn by soldiers and peasants] around him strained to be as loud as they could, singing one chetnik song after the other. The old guy and the others who were there paid no attention to them at all. If anyone had told them at that time that this man with the flushed face would soon be a leader, they probably would have looked at him in wonder. Two and a half years have passed since then. If the old fellow is still alive, then today he is certainly walking through his village with pride, boasting that long ago in Serbian he had "said" what would happen. Which is that the old guy from Banija is not the only one who thinks that "Krajina" is already a state. There are those who think so from Bacuga to New York. From the unshaven scamp behind the cannon in the mud of Banija all the way to the Serbian "statesman" in the marble halls in New York. It is all compressed in just one simple sentence: Never again Croatia.

Martic the Moderate

Mile Martić, "the people's favorite," speaking the other day about what he expected from the talks in New York, repeated the "pivotal Serbian thought," saying that the Serbian delegation would "stick by what has been agreed and at no point would allow discussion of life together with Croatia." The "favorite" said: "We will demand international recognition of a state, recognition of our borders, which are the ethnic Serbian borders. Those we have already liberated and those which still need to be

liberated. At the same time, no special status for the Serbs in Croatia comes under consideration. The delegation must respect this, whoever its members are." At the same time, the Croatian side is asserting the opposite: that there will be no discussion of any Serbian state in Croatia. Can there be a reconciliation here?

After all that has happened, can the Croatian Serbs give up on their Bantustan state? If by some chance Hadžić, Paspalj, and Jarčević sign something in New York that would signify even an indication of denial of the Serbian state, they would be removed before they got back to Knin. That is, while that trio roamed around New York, a message would come from Knin that these were people inclined to tyranny who had taken power and "become remote from the people," at the same time displacing Milan Martić, "the people's favorite." So, the skids were already greased for them if they even whispered anything about Croatia, their "portfolios" would have been taken from them even in the airplane. And because they "do not have the support of the people," their signature would lose its value. It would simply be said that they actually no longer represent anyone. And all the negotiations would be set back to the beginning. But if the negotiations take a different direction, this variant could again become relevant. And again everything "Finnegan begin again."

While the seance in New York is still going on, in Knin at the same time, according to the statement of Ante Gotovina, commander of the Croatian Army in the Zadar sector, about 4,000 Serbian volunteers have flocked together from Serbia, followers of Vojislav Seselj and Zeljko "Arkan" Raznjatović. Gotovina judged that "these volunteers have squeezed out the more moderate elements in the Krajina 'government,' and that they are leading a Serbian counteroffensive." This is not an isolated opinion. Because Mile Martić boasts of having been the one to order Arkan driven out of "Krajina," it follows that even he is among those "more moderate elements"! If Martić is "moderate," then what must the other Krajina bosses be like? Is Milan Babić, already to some extent forgotten, also one of them? Are there prospects that the dentist will return to politics once again?

Babić's Apology to Milošević

Martić has told VECERNJE NOVOSTI how he talked to Babić and Babić promised him that he would make a public apology to Slobodan Milošević because of all that he said about him, "because he had realized that Milošević is a man who is mindful of us, but also of the interests of the entire Serbian community." Does that apology automatically signify Babić's return to the political game? Martić says, obviously with good reason, "I do not make the decision on that." Everyone knows who will make the decision about that. The head coach will say—yes or no, and if yes, when. If the boss [preceding word in English] decides that Arkan's people should remain in "Krajina," then they will remain regardless of what Martić has to say about it. If Martić can drive

Arkan out, then he obviously has the support of "Caesar," or at least a wink from him. Thus, the conflict between Martić and Arkan comes down to what it actually is—to folklore, to a quarrel between an international gangster and a local bandit leader.

"The Serbian and federal governments have been suggesting in a number of moves that they are backing off—confronted with reality (the unrelenting stance of the international community and the embargo, which is becoming harder and harder to put up with)—from the project 'All Serbs in One State.'" That is what NIN wrote on 19 February. But regardless of what the Belgrade weekly wrote, it is not really to be believed that the "Krajina people" would sign such an assertion, that they would give up on what they started. Milošević may thus even think it, but he will never say it. This is a kind of trade-off between the people from Vojvodina and the "biggest Serb": support for sponsorship. Milošević has unquestioned control over the Vojvodina Serbs. And he uses it whenever the need arises. The Croatian and Bosnian Serbs serve the purpose of keeping Milošević in power, although he constantly tries to represent them as independent.

Can Milošević's power control the "Krajina" arrogance, wrath, and militance? Probably it can, if he wants it. Both Milošević and his defenders are actually hostages to their own policy. Milošević cannot turn back without a strengthened Seselj proclaiming him a traitor to the nation. The violent Serbs from Croatia also have no route for retreat. They have already bet all they had, gone for broke. People like that will not give up their political oath that they will never live with the Croats and in Croatia. For them, Croatia is in the pluperfect tense, i.e., past tense in the past. And it should not be doubted that they are still ready to defend their choice with cannons. Giving up the idea of "Krajina" would at the same time mean forgetting those "brothers" of theirs who gave their lives for that gambler's idea. And there were quite a few of them. And they all have relatives and friends.

In Croatian political and intellectual circles, there is an essentially economic opinion that is convinced and is trying to persuade that the "Serbian question" will be resolved gradually—by quiet economic penetration of Croatia into Knin, Glina, Gracac.... There is an optimism that the "Krajina people" will in time be forced to return to Croatia. That is, people are counting on economic troubles compelling the people of Banija, Lika, Zagorje, and Kordun to slowly begin to accept Croatian authority. That opinion is based on the almost natural postulates concerning a civilized way of life, which is unthinkable without electricity, television, running water, and soap. As though these were relevant facts which could have an influence in moderating Serbian extremism! As though this shift toward civilization could essentially influence a change in "Krajina policy"! There is no electricity, there is no water, ..., but there is "gid" and bullets! What more do you want?!

Croatia, of course, cannot allow "Krajina" to be lost, to have its parts fall off as from leprosy, and then go on living in a mutilated state. In theory, it could consent to leave "Krajina" to itself, that is, to some Yugoslavia, to an expanded Serbia..., or whatever it might be called. A federation could be formed (there are already those who think along these lines), and the Serbs would again become a constituent nationality, i.e., they still gain a Serbian state. Croatia's third possibility is to negotiate and try by diplomatic means to untie the "Krajina" knot. And, finally, all that is still left is to try by military victory to restore the occupied territory to its own possession. In consenting to the talks in New York, Croatia opted for a peaceful attempt at political socialization of the "Krajina people." Can it succeed in this if in the negotiations in the United States their representatives bristle every time the letter C is mentioned?

Gid and Bullets

At the moment, less than 30 percent of the Serbs in Croatia (28 percent) live in the regions of Croatia occupied by the Serbian militants. But only those who speak for them figure in the negotiations in New York. Vance and Owen have bypassed all the others, which is understandable, because this is the more courteous segment of the Serbian population, which did not rebel and which does not share the opinion that politics must be waged with weapons. The extremists very quickly left the Croatian Assembly and took up their guns, thus going back to precivilization, to the "natural state" when "discussion" was conducted with clubs or a revolver instead of speeches in parliament.

That is always a discussion based on the principle: "If you beat your opponent to death, then he stops opposing you." Have the "Krajina people" conducted any different "discussion" so far? And will they? Are Martić, Hadžić, and Tarbuk...capable of it? And could they tomorrow be ordinary citizens of Croatia?

What happens to "Krajina" tomorrow does not depend on Croatia alone. To a great extent, it will also depend on those who have brought it where it is now. Still more on the "masters of the world," on what they do. If the "natural state" is perpetuated, its position will become increasingly unnatural. And it will last until the old guys with mustaches sober up. But there was a good harvest of plums last year—as Banja Luka television has reported, as it always does.

Division in RSK Leadership Analyzed

93BA0709B Belgrade NIN in Serbo-Croatian 26 Feb 93
pp 14-15

[Article by Srdjan Radulovic: "Martić vs. Arkan"]

[Text] The more careful chroniclers of the war noted that Saturday, 20 January, marked one month since the Croatian attack on the south of Krajina. "The Serbian forces are holding the defense lines firmly," has been repeated for days in the reports of the General Staff of

the Serbian Army. Croatian Radio is asserting the same thing, assuring the public that Operation Maslenica was completed successfully. The war has turned into positional battles in which artillery is dominant....

"With one eye, I look to see if the Ustashi are coming, and with the other I look at these unplowed fields. Unless something is put in the ground, there will be terrible trouble before winter," says the rather elderly Mirko Drca on a position near Benkovac, within reach of the gentle and fertile region known as Ravni Kotari.

In bad times and times of war, people say, you should listen to what the peasants have to say. Help, to be sure, is coming, care has somehow been given to 16,000 refugees from the war-torn regions, but if the land is not cultivated.... That worries Mirko more than politics and conflicts in the Krajina government.

"There has never been a time when the leaders did not quarrel. When they do not know why, how am I supposed to know?" Mirko says and adds, somehow more to himself, because his more immediate concern is how the people will be fed, "because war 'eats up' wealth, the land goes untilled, the orchards and vineyards are not pruned...."

And do those in Knin know why they are quarreling?

Lapses in Defense

It began with the removal of Colonel Stojan Spanovic, defense minister. First, he "went to a new post." Then Milan Martić, minister of internal affairs, revealed that Spanovic had been removed, and he called the names of key people at the top level of the Krajina government. Then the government acknowledged that Spanovic had been removed and, as if in passing, gave the reason that it involved responsibility because of lapses in organizing defense.

And there were lapses, and not only in the first days of the war. They have not been discussed officially. Even the government gave good grades to the organization of defense. As a practical matter, it was the commanders of the various volunteer units that first began to speak about this. Zeljko "Arkan" Raznatovic, commander of the Tigers, says that he came to find such a state of disorganization that it all seemed like outright chaos. And Miro Mladjenovic, who heads the unit Wolves From Vucjak [Wolfstown], says that the Wolves found a bad situation on the battlefield, and according to him the main reason is that the "politicians relaxed and made bad moves." Arkan believes that the person principally at fault for such a situation is not Spanovic, but Martić, of whom he says that he put the role of the police first.

Babić Is Waiting

There obviously have been problems in the system of defense. The defense minister has been removed, but the resignation of Milan Martić, who tried to side with Spanovic, was not accepted. The question remained,

however, of why Spanovic's removal initiated divisions and resulted in an exchange of accusations between Krajina officials which are not "thematically" related to military problems? Spanovic's removal left Martić isolated in the government of the RSK [Serbian Republic Krajina] (Is that why he decided not to attend sessions of the government?), but it is less well-known that the representatives of the so-called hard line, David Rastovic and Bosko Bozanic from Lika, with the support of Zdravko Zecevic, as well as Goran Hadzic and Mile Paspalj, demanded the resignation of Col. Spanovic even earlier. He and General Milan Torbica, former commander of the Krajina TO [Territorial Defense], were reproached for the desire, under influence of the SK-PJ [League of Communists—Movement for Yugoslavia], to restore Yugoslavia. Martić was also mentioned in a similar context, and Arkan even says that Martić surrounded himself with a clique from the SK-PJ, and that their policy is the main impediment to realizing the idea of unification of all the Serbian lands.

In an appearance on Radio Knin, Martić has denied this, and instead of discrediting his opponents in political terms, he has tried to make an issue of apartments assigned to personnel. The public in Krajina, that is, has long known that most Krajina officials have apartments or houses in Belgrade, they have received six apartments from the former federal housing stock, some apartments were furnished with funds from the government's bureau in Belgrade.... On the political level, Martić has been trying to win points by appealing to Serbian President Slobodan Milosevic, of whom he has been saying with increasing frequency that he is "the only one who can save the Serbian people." The other side has not been reacting to that, because it has confirmed its devotion to the regime in Belgrade many times since the moment when it took power in the RSK with its support through the removal of Milan Babić. Finally, the third trump card which Martić has played is the mentioning of Babić, whom he has been defending against the attacks of "certain people" in the RSK government.

Babić is obviously too experienced to blunder into this split between those who until recently were of like mind and who have attacked him because he did not accept the Vance Plan and refused subservience to Milosevic. He has opted for the present to wait for the outcome of this conflict, but it is hard to believe that after Martić's statement that he expects Babić to apologize to Milosevic that he will actually do it. Especially not publicly and not without good reason, and that reason would have to be the leading position in the government of the RSK. Incidentally, a possible rapprochement of Milosevic and Babić would be a reliable signal that the present team in power is losing its "rating" in Belgrade. There have already been certain symptoms, judging by the article in VECERNJE NOVOSTI, which was carried by TV Serbia, which said that Martić and Babić enjoyed the greatest confidence in Krajina. But why would a team be changed when it has been carrying out the manager's game plan and bring into the game someone

who is not a team player? That question was answered indirectly by TV Serbia, which later issued sharp reproaches of Martić on several occasions.

The Silence of the Top Military Leadership

Earlier conflicts in Krajina demonstrated that that faction loses which does not have the support of the army and police (and of Belgrade). At the beginning of this most recent conflict, it seemed that the present team in power was losing that support, while Martić was attempting to secure his political rear by appealing to Babić and drawing upon some of his popularity in Krajina. However, he remained isolated. The top military leadership did not come in.... It is a fact not without significance that Gen. Mile Novaković, commander of the RSK Serbian Army, came to that post at the request and with the support of the top political leadership of Krajina. Gen. Novaković has not even reacted to Martić's statement that he issued the order to withdraw hospitality from Arkan in Krajina. While "signals" are coming from the RSK government that Gen. Novaković did not issue such an order at all, he has opted to "wait a bit longer."

"You asked why they have quarreled? Well, it is not on my behalf, but for their own gain," says one of Mirko Drca's fellow fighters, who did not want to introduce himself and waved his hand as if to say that he has had enough of these Krajina quarrels.

And indeed, why have these divisions occurred when someone had to bear responsibility, and it seems that that is the case, because of lapses in defense of the RSK? In view of what amounts to a political consensus concerning the status of Krajina, it is hard to believe that differences occurred because differing political options were advocated, nor is the occasional reference to the role of the SK-PJ convincing....

Mirko Drca continues to look uneasily at the uncultivated fields. In the window of a closed store in Knin, a poster prepared for the election scheduled for March (which by all appearances will not be held for a long time yet) bears the message—"Others are fighting for power—we are creating a state."

Background of Martić-Arkan Conflict

93BA0709C Belgrade NIN in Serbo-Croatian 26 Feb 93
p 15

[Article by Rade Ranković: "The Order Was Issued"]

[Text] A rift has occurred between Milan Martić and Zeljko "Arkan" Raznjatović (perhaps not only those two). What was whispered about in public for quite a long time has become both public and official: first through the statement of the minister of internal affairs in the government of the Serbian Republic Krajina [RSK], and, a day or two later, through the response of the minister without portfolio in that same government.

In the background of the battle in Krajina (read: in Knin and Belgrade), Martić is accusing Arkan of meddling in politics, of a cruel attitude toward the local population, of removing police officials in Vukovar, finding in all of this some well-conceived action with a deeper meaning. Martić's statement is spiced with the order of the military authorities to the effect that the commander of the Serbian Voluntary Guard is persona non grata in Krajina.

Raznjatović is not a bit more tender in replying to Martić. Along with all he had to say, Arkan sent a message to Martić that he did not come to Krajina because of him and certain generals, and that he cannot prevent him from returning there. For that matter, Raznjatović says, his fighters have not even withdrawn—they will remain in Krajina until the people liberate themselves entirely. Accusing the Krajina generals of deserting the army during the Croatian aggression, Arkan says that it was his fighters that saved Obrovac and returned many deserters to their units.

In the background of the most recent intra-Serbian affair, the voices of Zečević, Krajina prime minister, who sides with the commander of the Volunteer Guard, and General Mile Novaković, who, it is asserted by Milan Martić, is with him, have also been heard. From what reporters on the scene have written, Novaković, who has never said anything anywhere officially, finally did make himself heard with one sentence: "The order was issued!"

If the little pieces in this complicated mosaic are to be put in the right places, there is still much more we need to know. Otherwise, the ordinary man is left to make a choice solely on the basis of personal feelings for one of the participants in the affair.

Or to repeat what has been heard in Belgrade first-hand from Knin. It is thus said that in recent days Arkan has been driving his fighters to go where there is no theoretical chance of getting through (and that the fighters themselves are supposedly amazed at their commander's behavior, and that the Serbian Volunteer Guard has had quite a few casualties. It is also known that the people of Krajina stand behind Arkan's volunteers—because of their exceptional bravery, but also because of their discipline.

Nevertheless, in this skirmish, as in many Serbian skirmishes that have occurred up to now, it is best to recall the case of Milan Babić—and on that basis draw possible conclusions. Although Belgrade has maintained a wise silence concerning everything happening in Krajina, you can bet that in this case that side will fare better which dances to the music composed in Serbia.

Chronology of Serb Rebellion in Croatia

93BA0715G Zagreb DANAS in Serbo-Croatian
26 Feb 93 pp 16-17

[Article by Olga Ramljak: "Dossier: Beginnings of Aggression: Anatomy of Serb Rebellion: Those Issuing Orders From Serbia Had Good Servants in War Criminals"]

[Text] At the negotiations in New York, Goran Hadzic, the president of the "Republic of Serbian Krajina," and Mile Paspalj, the chairman of the "Assembly of the Republic of Serbian Krajina," agree to nothing less than a position of equality in the talks between their "state" and the Croatian state, and then in the end they even expect UN praise for their peacemaking efforts!

Hadzic and Paspalj came to their positions after a tumultuous assembly in Borovo Selo held from 26 to 28 February 1992, when three Serb regions were united into one "Krajina." The capital of the state thus created is Knin, and its coat of arms is the two-headed white eagle. This was the first time that Paspalj had been thrust into the front ranks of the Serb rebellion in Croatia, while Hadzic was an active participant in it, publicly prominent from the very beginning. In the 1990 elections, the then-warehouseman at VUPIK in Vukovar was elected councilman as a candidate of the SK-SDP [League of Communists-Party of Democratic Changes], but as early as 1 April 1991 he was arrested at Plitvice during the clash between rebel Serbs and the MUP [Ministry of Internal Affairs] of the Republic of Croatia, as leader of the SDS [Serbian Democratic Party] (on 10 June 1990 he had become chairman of the SDS for Vukovar). Released from investigative detention at his party's request, Hadzic, together with Slavko Dokmanovic, worked actively on the rebellion by Serb towns and on carrying out orders from Branko Mamula, Brane Crncevic, Vojislav Seselj, and Milan Paroski, the goal being to provoke war in Croatia. A direct participant in all the massacres in Slavonia—as the person issuing orders—he became especially prominent after the fall of Vukovar. The people of Vukovar blame him for the deaths of 2,600 people, and especially for the fate of the injured at Vukovar Hospital who ended up at Ovcara.

In a legally binding ruling, the military court in Osijek condemned Goran Hadzic on 29 July 1992 to 15 years of hard labor.

Unconstitutional Decision

The state represented by Hadzic and Paspalj, for which they seek equal status with Croatia, had its beginnings in a decision by the Assembly of Knin Opstina of 27 June 1990 regarding the establishment and formation of a community of opstinas of northern Dalmatia and Lika. On 28 August of the same year, the Constitutional Court of the Republic of Croatia overturned that decision as unconstitutional, as it did with all the decisions by opstinas that decided to join that nonexistent administrative entity.

Chronologically, matters progressed as follows:

25 July 1990, Srb. The Serbian National Council is formed, which adopts a Declaration on Autonomy and the Position of Serbs in Croatia, on the Sovereignty and Autonomy of the Serbian Nation, and schedules a plebiscite.

31 July 1990, Knin. Proclamation on scheduling a referendum.

19 August 1990, Knin. A central commission for scheduling a referendum is formed.

17 August 1990. A "Council of National Resistance" is formed, with Milan Babic, Milan Martic, Jovan Raskovic, Dusan Orlovic, M. Dobrijevic, and N. Mandinic as members.

30 September 1990. The "Serbian National Council," led by Milan Babic, declares Serb autonomy.

1 August 1990. In addition to the Knin decision on founding a community of opstinas, the Official Gazette of Drnis, Knin and Sibenik Opstinas contains a decision on the introduction of the Cyrillic alphabet to administrative institutions in Knin Opstina and a recommendation on using 28 June—St. Vitus's Day—as a day off for believers and for citizens' personal and other needs.

21 December 1990, Knin. The "Statute of the Serbian Autonomous Region of [SAO] Krajina" is adopted and joined by Benkovac, Vojnic, Obrovac, Gracac, Dvor, and Kostajnica Opstinas. The statute states: "The SAO executes laws, other ordinances, and general acts of the Republic of Croatia and the federation." Taxes belong to the Krajina "in proportion to the needs that ensue from its rights and obligations as established by law." The Assembly has 60 deputies, with a term of four years.

28 December 1990. Decision on discontinuing the payment of republican taxes.

4 January 1991. The chairman of the Executive Council of the SAOK [Serbian Autonomous Region of Krajina], Dr. Milan Babic, appoints Milan Martic—a former policeman with the MUP [Ministry of Internal Affairs] of the Republic of Croatia—to the post of secretary for internal affairs for the Serbian autonomous region of "Krajina"; the same "Official Bulletin of Knin Opstina" contains a decision on establishing a secretariat for internal affairs of the SAOK.

16 February 1991, Donji Lapac. The SDS adopts a Declaration on the Position and Rights of the Serbian Nation in Croatia.

26 February 1991. The SAO Slavonia, Baranja, and Western Srem is formed.

28 February 1991. A resolution on separating from the Republic of Croatia is adopted and published in GLASNIK KRAJINE in Knin. Krajina is joined by

Gracac, Korenica, Donji Lapac, and Glina. The resolution on separation states: "During the period until final separation, federal ordinances, the ordinances of the SAOK, and the legal regulations and laws of the Republic of Croatia are valid and applicable in the territory of the SAOK insofar as they are not in conflict with the ordinances of the SAOK and of the federation."

28 March 1991. Statutory decision on a change in the status of the SAO Krajina, whereby the Constitution, Croatian Assembly, and the Republic of Croatia are expunged in favor of the federation and its assembly.

31 March 1991. The JA [Yugoslav Army], SAOK police, and armed civilians occupy Plitvice; among those arrested by the MUP of the Republic of Croatia is Goran Hadzic.

Joining Serbia

12 May 1991. Referendum on joining the SAOK to the Republic of Serbia.

20 May 1991. The statute of the SAOK is declared to be a constitutional law, and the SAOK is declared a federal unit of the SFRY; the government of this entity is headed by Milan Babic, and the minister of defense is Milan Martic. The constitutional law is accompanied by numerous decisions on complete secession from Croatia and its institutions of power. Thus, the statute on the SDK [Public Auditing Service] of the SAOK (adopted on 16 May 1991) states that it is a unified and independent service that performs its work on the basis of the Constitution, laws and statutes of the SAOK, and in the performance of its work it cooperates with institutions of Krajina and of the Republic of Serbia. The Republic of Croatia is not mentioned at any point.

21 May 1991. A statutory decision on seceding from the Republic of Croatia, a decision on the application of laws and other ordinances in the territory of the SAOK, and a decision on the formation of unarmed detachments of Serbian people's defense are adopted. According to the provisions published in the Official Bulletin of Knin Opstina, an educational-pedagogic inspectorate on the level of the SAOK must be formed by November 1991, plans and programs for elementary and secondary schools will be ordered from the SR [Socialist Republic of] Serbia, and new textbooks will come from the Factory for Publishing Textbooks in the SR Montenegro.

29 May 1991. The Official Gazette of Sisak Opstina publishes a decision by the SO [Serbian Opstina of] Glina that the laws of the SFRY apply exclusively to its territory, thus including the law on holidays, while application of the provisions of the Law on Holidays of the Republic of Croatia is excluded.

21 June 1991. Based on a decision on public enterprises in Krajina, those enterprises freeze their accounts in the territory of Croatia and open accounts in Serbia; Plitvice National Park opens two accounts in Novi Beograd at

the headquarters of the SDKJ [Public Auditing Service of Yugoslavia] 60815, and the enterprise Suma Krajine takes the same action.

25 August 1991. The prime minister of the SAOK, Milan Babic, declares himself commander of all armed forces and the territorial defense of the SAOK, adopts a decision on the application of laws on defense of the SR Serbia in the territory of the SAOK, a mobilization order, and a law on courts.

25 September 1991. Major people's assembly of the Serbian region of Slavonia, Baranja, and Western Srem; Ilija Koncarevic is elected chairman of the assembly, and Goran Hadzic is elected prime minister.

All institutions of state power, institutions of local self-administration, and other institutions and organizations of the Republic of Croatia cease to function. The formation of the major people's assembly was preceded by a demand by the Serbian National Council for that region to the Assembly of the SR Serbia that the region be joined to Vojvodina (1 April 1991).

A decision is adopted on implementing the constitutional law and on setting up 14 ministries and several courts, and ministers and judges are appointed.

10 October 1991. Decision on merging the territorial defense of the Serbian region of Slavonia, Baranja, and Western Srem with the armed forces of the SFRY.

22 November 1991. Decision on taxes in the Serbian region and on the budget of the Serbian region.

24 October 1991. Declaration on the unification of the SAO Krajina and Bosnian Krajina.

From 26 to 28 February 1992, at an assembly in Borovo Selo, the three regions unite into one "Republic of Serbian Krajina," with the capital at Knin and the two-headed white eagle as its coat of arms. Goran Hadzic is elected president, and Mile Paspalj is elected chairman of the assembly.

Ethnic Cleansing

In the meantime, the area over which the usurpers of various Serbian political entities have assumed control in Croatian territory have been almost entirely cleansed of non-Serb population. Through either expulsion or execution, Hadzic and Paspalj have been left in control of an area like Vukovar or Skabrnja, as two symbols of the same heinous fate experienced by all who were not Serbs who agreed to the creation of the "Republic of Serbian Krajina." As president of the nominal state, Hadzic called on the JA and the FRY to return all unfortunate Croats, Hungarians, Ruthenians, Slovaks, and Serbs who remained loyal to Croatia from the camps in Vojvodina, Bosnia-Herzegovina, and Serbia to "liberated" Vukovar in order for them to be judged on the model of "liberation" from Vukovar Hospital, Velepromet, and Ovcara. The danger involved in opposing is best confirmed by the fate of the first usurper-statesman,

Knin dentist and opstina president Dr. Milan Babic, who was forcibly removed from the political scene.

According to all international legal practices, the same fate awaits the attempt to create a state within a state, as conceived of by Hadzic and those who give him orders.

[Box, p 17]

File on Goran Hadzic

Documents from Osijek Military Court

1. 15 May 1992, Record No. 511-07-02/10-KU-963.

GORAN HADZIC, son of Branko, born on 7 September 1958, Vinkovci, Serb.

Actively participated in the setting up of barricades and the conduct of military operations at Plitvice and massacres from Borovo Selo to Pakrac and Nova Gradiska.

With colleagues, declared the statehood of the Serbian autonomous region of Slavonia, Baranja, and Western Srem, set up an illegal government in which he is the president, and established all structures of power, including a judiciary and police:

"It is important to note that all the accused (G. Hadzic and 25 codefendants) continue to threaten the territorial integrity of the Republic of Croatia, and that with their approval or their agreement, other criminal acts are also being committed in the occupied territories, including those deemed most grave under international conventions, namely, GENOCIDE AND WAR CRIMES AGAINST THE CIVILIAN POPULATION AND PRISONERS OF WAR."

2. According to the ruling by the Osijek Military Court, No. Kv 230/92/3, imprisonment is prescribed for G. Hadzic and the codefendants, and the issue of an arrest warrant for them is ordered.

3. Minutes of the main hearing on 29 July 1992, Record No. K-422/92. The main hearing is public, and in the hearing of evidence the "Official Gazette of the Serbian Region of Slavonia, Baranja, and Western Syrmia," No. 1, printed on 19 December 1992 [as published], was read aloud.

The council unanimously handed down a judgment against 22 defendants; according to the publicly declared judgment G. Hadzic receives 15 years imprisonment.

4. Final ruling of 4 September 1992, No. K-422/92-15, conviction effective 21 August 1992, order for execution of sentence issued.

War Destroying Croatian Economic Standard

93BA0720C Zagreb DANAS in Serbo-Croatian 5 Mar 93 p 7

[Article by Franka Sola: "The War Is Destroying the Standard of Living"]

[Text] The topic of the poll conducted on 27 and 28 February, whose results we are presenting to you today, is the standard of living of the citizens of Zagreb. A

relative majority of the respondents, i.e., 43.6 percent of them, believed that the war (costs of defense) is the most essential reason for the drop in the standard of living. 30.9 percent believed that it is the government's economic policy, only 6.5 percent that it is care for the refugees and displaced persons, 5.3 percent referred to white-collar crime, and then 4.1 percent gave other reasons (mainly idleness and "everything"), and 3.3 percent of the respondents believed that the reason lies in the remnants of the ineffective socialist economic/political system. Only 5.5 percent of them said that they did not know which is the most essential reason.

Respondents who judged the financial situation of their household to be below the average comprised 49.3 percent of the total, and those who judged it average—44.6 percent. Only 3.9 percent considered it to be above the average, and the rest could not assess it or did not want to reply.

All of 53.2 percent of the respondents maintained that a majority of the people lives like them, while 37.2 percent believed that a majority of citizens of Zagreb lives more poorly than they do. Only 7 percent believed that they live better than others.

When we compare these subjective assessments of economic status with specific numerical data, i.e., with the steady income of the household for January, we arrive at a considerably different, but more realistic, picture about the economic position of the citizens of Zagreb, one that indicates a still higher degree of social misery in which they find themselves, but also a very interesting tendency of gravitation to the average (between 40 and 50 percent of the people of Zagreb believed that their life is average), which is most probably the consequence of lowered criteria resulting from the general impoverishment of the majority and therefore, we can now say, of the former middle stratum as well. At the same time, we assume that this trend has been conditioned to a considerable extent by the war, which it seems motivates people to a higher degree of social tolerance regardless of their personal troubles resulting from the drop in the standard of living, even to a drastic degree—changes in social stratum. Nevertheless, the 30.9 percent of the citizens who hold the government responsible for the drop in the standard of living ought to disturb the government.

According to official statistical data of the Croatian Trade Union Federation, a four-member family in January needed slightly more than 300,000 dinars for overhead and the market basket and a three-member family (which is the Zagreb average) about 225,000. The figures we obtained from the respondents indicate that only 22.9 percent of them have that kind of income or higher, while 77 percent of them have incomes below that amount (this does not include the 6.5 percent of the respondents who did not want to give information on the

income of their household). To round out the picture of the standard of living of the people of Zagreb, we provide these figures: 10 percent of the households had total permanent income in January under 50,000 dinars, 25 percent had less than 90,000, 50 percent—less than 150,000, 75 percent—less than 200,000, and 90 percent—less than 300,000. When we calculated how much money is left per person, we got a still gloomier picture.

The view that the war, government economic policy, or something else is the most essential cause of the drop in the standard of living is correlated with the age of the respondents, but not with the sex or financial situation of the respondents.

We also came to the conclusion that the middle stratum has actually disappeared as an economic category, but has persisted as a psychological category. That is, the figures which we obtained in our Zagreb poll suggest to us the conclusion that an average life under our conditions of crisis actually means living poorly (which is why the average is not compatible with the middle stratum), and a life below the average is very bad. Only very few people in Zagreb are living well.

Privatization of Enterprises Discussed

93BA0715H Zagreb DANAS in Serbo-Croatian
26 Feb 93 p 6

[Interview with Ivica Gazi, president of the Croatian Economic Chamber and member of the Administrative Board of the Croatian Fund for Privatization, by Marko Franjic; date and place not given: "No One Has Gotten Rich Yet"]

[Text] [Franjic] The first phase of transformation is supposed to be complete soon. Can you provide an assessment of this work?

[Gazi] I think that the law enacted is successful and that nearly all businessmen feel that it is good, even from the social aspect. I personally found it very positive during a recent visit to Hungary, where we discussed the effects of its transformation model. In Croatia, production has fallen only 10 percent more on the average than it has fallen in Hungary, despite the fact that they have experienced neither war nor the consequences of war. In that country, there have been no foreign investments, aside from the fact that several of their enterprises have been bought in order to close them down, because of competition. On the whole, I think that our law and its implementation have been successful, despite all the problems and even some negative phenomena. There is also another criticism, provided to us by the Austrians, who say that perhaps we are carrying out the transformation too fast, while we are nervous and think that it is going too slow.

[Franjic] The opposition recently asked for a special session of the Assembly because it feels that the transformation is not being carried out successfully. What do you think of their demands?

[Gazi] The distribution of stock shares demonstrated the failure of that model in the East. However, the essential questions pertaining to further strategy are how to include management, how to include employees, what bonus stock shares are, and how to issue them. It is objected that people have gotten rich from buying certain enterprises. In this phase, no one has gotten rich yet, because if someone buys an enterprise cheap and then sells it, then perhaps he could get rich. Of vital importance to the economy are how to get capital moving, how to put it in the role of turning things around and developing them. We have been stagnating for too long. Practically from the moment when we first started talking about transformation, way back in the Markovic days, the investment cycle halted and everyone began to speculate. Growth within enterprises stopped, which is very harmful. It is essential that we reestablish the dynamics of growth within enterprises so that the existing capital can begin to be enriched, while in this way beginning the development of and rise in production as well.

[Franjic] Can you comment on certain concrete weaknesses in the implementation of transformation: The sale of enterprises on the market is very weak; there is no secondary stock market, so that in a large number of cases we do not know the market value of stocks; there is no foreign investment, all earnings from what is sold go to the state budget, and it is very difficult in this situation to predict how much the state will allocate from the budget for the economy, without which the economy cannot recover?

[Gazi] We must get to a position of growth in the economy in order that people are able to withstand that pressure. The state must reinvest and provide initial resources, because otherwise it is cutting its own throat. The state must participate in infrastructure investments. The question is how much capital within enterprises goes to the building of infrastructure. Naturally, this was important in tourism—everyone is exerting pressure on the state to build infrastructure that could then be normally exploited in tourism, while everyone is running away from any contributions and obligations toward the state.

[Franjic] Has there been any disagreement with certain government programs, especially those involving transformation?

[Gazi] The Administrative Board has had one meeting, and the Fund for Privatization has not yet begun its work. There is an organizational vacuum in place. I do not know how much personal disagreement there has been. At all state administrative institutions, the desire for a faster privatization process has been expressed, and if there have been individual blocking actions, then these are things that do not reflect general policy. We in the economy give greater importance to the transformation of the so-called business infrastructure than to the transformation of enterprises; thus, to the problem of banks, insurance companies, overall state administration, etc.

This business atmosphere must be changed. If we become the owner but continue operating in the same way, then practically nothing has changed. This process is rather slow, this is where resistance is greatest, and I think that we will have our biggest problems here, because we are encroaching upon the vested interests of certain groups.

[Franjic] The government recently began to seriously tackle the rise in certain types of crime. What do you think of that?

[Gazi] I am for very consistent methods, a sustained fight, not a campaign-style one. Such deformations could threaten the entire course of the desired policy and I think that these deformations must be exposed and eliminated quickly. On the other hand, it is unacceptable for us to be afraid of people and to put them in a position where they are all guilty and everyone is inclined toward criminal acts.

[Franjic] What is your view of the allocation of managerial credits and of people who are involved in the government but have their own private enterprises?

[Gazi] As far as the managerial credits are concerned, all around the world business is done not with cash, but rather

through credit. There is not much cash out there. It is fine to give certain credits to people who want risk and challenge, but of course not for the company's money. A morality for public positions must be developed. I doubt that one can successfully pursue the general interest and lead a private enterprise, especially when you have access to information. Today, information is capital, and also confers a certain position of strength. It was great when Prime Minister Sarinic said upon taking office that his ministers would work without waste, but I do not know how much has been implemented.

[Franjic] One of your biggest criticisms of the government is that the state budget is overburdened by state activities, while Prime Minister Sarinic announced an administrative reorganization at the very outset.

[Gazi] The reorganization of state administration and this budget spending in some way is not a matter of political orientation. It is a matter of very professional, conscientious, and persistent work. This cannot be done over night. It is often said that the costs of defense, the police, etc. are very high. No one will touch these costs, and everyone understands that, but this latter part must come under public scrutiny.

Controversial Wage Freeze Strongly Opposed

93BA0703C Ljubljana DELO in Slovene 4 Mar 93 p 1

[Article by Marko Pecauer: "Freezing"]

[Text] The issue of the wages that were frozen last week by the State Assembly, while yesterday the State Council vetoed that decision, has become a first-class political issue. It is not just that at least to some extent the previously strongly opposed trade unions have joined together and set up interest associations; the government coalition itself has been called into question.

Specifically, one can already hear from the ranks of the United List that when the interventionary law is voted on again, its representatives will vote against it. If they fulfill that announcement, through that step they will also deal a serious blow to the government in which they themselves are participating. In fact, rejection of the law on the wage freeze would mean a defeat for the government in its first serious confrontation with the opposition, and also with the trade unions and with public opinion. That will necessarily lead to a freeze in relations within the ruling coalition.

Controversial issues, which have been appearing on the Slovene political scene ever since the formation of the new government, but which the ruling coalition has so far fended off, have coalesced regarding the problem of freezing wages. This has to do with the struggle for prestige between the State Assembly and the State Council, and it has to do with how much political influence the trade unions will have. It also has to do with the problematical strength of the diverse, "mathematically" composed coalition, which so far has not succeeded in putting together a convincing economic program, much less convincingly presenting it to the public. The desire to freeze wages can thus be seen primarily as a caprice by the government, or especially the strongest party.

Of course, one should not forget that a week ago in the State Assembly, all the coalition parties voted for the freeze. If today at least the United List, under pressure from the trade unions and its membership, is thinking about changing its original decision, that means that it is currently more important to it to preserve the party than to remain in the coalition.

Regardless of the coalition's fate, the government will no longer be able to resolve things by a short cut where it is necessary to take a longer route, as it tried to do with the controversial interventionary law.

Drnovsek on Wage Freeze, Economic Policy

93BA0716A Ljubljana DELO in Slovene 6 Mar 93 pp 1, 2

[Interview with Prime Minister Janez Drnovsek by Miha Jenko: "The Government Is Persisting With the Law"]

[Text] Ljubljana, 4 Mar—After today's government meeting, Dr. Janez Drnovsek, in a special interview for DELO, spoke about the complications in adopting the law on a wage freeze and on their possible political consequences.

[Jenko] The fate of the law on the wage freeze is uncertain. What will the government do now?

[Drnovsek] The fate of the law is in the State Assembly's hands, and the government cannot withdraw it from proceedings, even if it wanted to. The State Assembly will vote on it once again. The government already discussed it today, and during the coming days we will conduct all the necessary consultations with the parties and deputies, so that we can see what their position is. From the very beginning it was important to the government to achieve the goal of having normal income trends fit into what we can bear at this time. The opinions on how to achieve this were different—by a law, or by a collective contract. Our responsible ministry—the Ministry of Labor—thought that a collective contract would not ensure this. That was also the opinion of the representatives of all the parties, including the United List, which is now reexamining its position in its own way. As prime minister, at the very beginning of the discussion in the government I established, as equally valid solutions, either regulating this by a law, which would include as much as possible of the contents of an annex to the collective contract, which would only ensure its implementation in practice; or nevertheless starting to prepare a collective contract and seeing whether it would be able to do what it was intended to. The majority discussion at that time, however, went in the direction of having it regulated by law.

[Jenko] What kind of decision did the government make today regarding the wages of ministers and the state administration?

[Drnovsek] The government made two decisions today in connection with this. One specifies higher guarantees personal incomes in comparison with the previous ones. The new amount is 25,000 tolar gross, which, with the previous increase, is about 21,000 tolar. That should alleviate the social problems in the most threatened strata. Since the deputies did not adopt an amendment that would also include deputies' wages in the same regime of restrictions that would apply to all other wages in the law, we adopted the decision that we would do it just for members of the government. Their wages in practice will be frozen until an interventionary law or collective contract is in effect, unless the law goes into effect.

[Jenko] What is the government's view of the wage freeze? What is the economic necessity of it?

[Drnovsek] It is indisputable that in recent months wages have been growing much faster than we can endure. All the economists have already been warning us about it for some time now, saying that we will not be able to sustain this in a situation in which production is still falling in spite of everything, and the conditions for new growth have still not been finally established. That trend in personal incomes means that we have two possible courses: either to try to devalue them through inflation and thus bring them into a realistic framework, or to stay with such a high growth of real personal incomes, which could affect the competitiveness of our enterprises. The latter would not be able to sell successfully for that reason, and consequently they would accumulate losses and go into bankruptcy to a greater extent, and consequently there would also be higher unemployment. Among other things, it is a decision whether we want to have higher real wages per employee, or whether we want higher employment and production. This element is also not considered enough by the trade unions, which represent the interests of all workers, but in doing so they do not represent the actual interests of all workers—those who will lose their employment because of this. It is true that the issue of the method for achieving this has also been raised. That method is still in question. I myself established both of the above-mentioned alternatives as equally valid. It is extremely difficult for me to decide on this kind of law, because it is not in accordance with our philosophy of action as a government. We are now, however, at a certain unique moment when the process of ownership transformation has not yet been completed, and we do not have pressure from employers upon wage trends. That is why the state has to place itself in that role during this transitional period, and that is why it only aimed the law at enterprises that are still being transformed. In comparison with the annex the law has positive effects, in the sense that it speeds up privatization. The law even so does not apply to those enterprises where more than 50 percent of the owners are known, private property, and at the same time it establishes mechanisms through which it encourages both the managers, the leadership and the employees to privatize then what they have saved with the wage freeze. That is a completely different quality than the annex entails.

[Jenko] Are the uncertainty and disagreements over passing the law leading to a political crisis within the government?

[Drnovsek] At first I expected a political crisis, and it seemed quite possible to me that there could also be problems and tensions within the coalition over this issue. It is a very typical issue, where there can be confrontations on different fronts between the social democratic approach, and for instance other approaches that are more market-oriented. That is why we

approached this issue fairly cautiously. There was already a discussion about proposing such a law during the previous session of parliament—immediately after the government was appointed. We did not do it, however, precisely in order to use one more month somehow to arrive at broader agreement on these measures, by having all the parties—at least those that joined the government coalition—cooperate in it, so that we could determine together with them whether to go in that direction, and also to try to explain it together with the trade unions and the others. That process was obviously carried out in a way, but it did not solve this problem satisfactorily. It would have been easier for us if the United List, for example, which is now questioning whether it will vote for the law again, had already said no the first time. In that case we did not want to impose that law. In that case I also said myself clearly that we would rather adopt a collective contract, wait for two or three months to see whether it was working, and then talk about such an intervention. In that case possible political crises would have been avoided. At that time, however, the deputies and ministers, especially including the United List ministers, chose the law. That is why we also went ahead with that option. Of course, if their position has changed now, the political situation is more difficult than it would have been if they had already said so at first. Although it is also understandable in a way, because the public's negative attitude toward this issue has been established, along with great pressure from the trade unions and all the other sectors to which the United List is particularly tied. It does not surprise me, but what surprises me is that they did not already think so earlier.

[Jenko] Has a broader program for the government's economic policy been prepared, and if not, when will it be prepared and what will it contain?

[Drnovsek] It is generally said that the government has now come forward only with a restrictive law, with an intervention in wages, and that it did not accompany this with other measures. I would like to point out that we are intensively implementing the economic policy that we outlined as early as last year. We are implementing all parts of it. The only part where there has been a divergence, where intervention was necessary, was the trend in wages, incomes, which is threatening the overall economic adjustment. We are continuing our policy of stabilizing prices, and we are still controlling the monopolists' prices. Elsewhere, the market is already operating enough that lower inflation is occurring. That remains our orientation from now on as well. We have started seriously carrying the concept of rehabilitating the banks that we outlined last year. We expect that soon there will be results—a decline in interest rates. That, of course, will substantially alleviate the situation in our enterprises. The fact is that the costs of financing are now far too high. We are reexamining the concept for restructuring the enterprises.

Perhaps in this regard there will be some expansion of the problem, which is now focused in a way on the Economic Development Fund. We will try to expand the resources that we have available in this regard, and the funds to support the restructuring of enterprises in those cases where there are reasons for it, where there is a market, where there is some profitability. We are working intensively on this, and we are intensively seeking possibilities and sources for these funds. An area that is still open and where there is still no clear answer is budget policy for 1993. We are intensively coordinating the budget beneficiaries among themselves: the requests and needs are extremely high, and the existing level of legal rights in many cases is such that it means so much budget financing that we cannot maintain it. This problem is not easy at all, and we are trying to prepare a budget. I think that next week we in the government will also adopt it in the form of a government proposal, which will be restrictive and in many respects will have a strong impact upon the present spending level. There is also the reduction of the costs of the rest of the public sector; in many cases we have already begun rehabilitation measures, for example in the railroad industry, where an international bidding was prepared that the government requested for rehabilitation, and some things are already being implemented. We will continue to modify the formal foundations and economic measures for streamlining the rest of the public sector as well. The claim that the government does not have an economic policy is not true. We will say so once more and we will present more on it when we present the budget at the end of this month.

Parties Adopt Agreement on Alliance

93BA0703A Ljubljana SLOVENE in Slovene 1 Mar 93 p 1

[Article by Vinko Zalar: "Beginning of an Effective Merger of the Right"]

[Text] Koper—On Saturday in Koper, 80 members of the annual SKD [Slovene Christian Democrats] adopted an agreement on an alliance with the National Democrats and on a merger with the Slovene Economic Party.

The agreement specifies that after appropriate decisions by their bodies, the two parties, in March and April, will become an autonomous wing of the ND [National Democrats] in the SKD, and part of the SKD's economic forum. By amending the statute, the Christian Democrats in fact provided for the possibility of organizing a "regime and opposition" within their own party, more precisely wings, which will, of course, operate in accordance with the orientation of the party's program. The beginning of this was perhaps shown by several discussions on Saturday and the replacement elections for a member of the party's council (after the resignation of Domzale mayor E. Schwartzbartl). The SKD's entry into the joint government, together with the Social Democrats, the LDS [Liberal Democratic Party], and the United List, scarcely affected the party's unity and self-awareness. "If our partners in the government are good, then there is no reason not to go together," party president Lojze Peterle justified participation in the government. "If they are bad, however, then once again it is our moral duty to be present so that they do not spoil everything." The president's report and the program proposals were supported almost unanimously.

Federal

Panic Visit to Iraq Linked to Compensation Claims

AU2503131193 Belgrade BORBA in Serbo-Croatian
19 Mar 93 p 9

[Report by D. Sverko: "Yugoslavia Is a Desirable Partner"]

[Text] "When the Gulf War broke out in August 1990, there remained in Iraq 2.5 million dollars worth of equipment, machines, and interrupted projects from firms from all parts of former Yugoslavia. Reports state that 60 percent of that amount falls to Serbia, whose companies carried out the greatest number of projects in Iraq. Most of the works are of a military nature, so the data are not available to the public," Nada Spasic, secretary of the Section for Iraq with the Yugoslav Chamber of Commerce [YCC], and Milan Keserovic, former director of the YCC office in Baghdad, emphasize in a statement to BORBA.

They also stress that it is the interest of the Serbian economy to maintain contacts with Iraq, which, apart from the Soviet Union, used to be one of Yugoslavia's biggest trading partners. Spasic and Keserovic are not familiar with the visit of General Zivota Panic to Iraq. Keserovic left Baghdad one month ago at the end of his four year posting. Because of financial difficulties the office in Baghdad has temporarily been closed. The YCC has retained its facilities for future cooperation, for one should start thinking about the post-sanctions time, as Spasic and Keserovic say.

The contracts for construction works, which represent the largest part of the cooperation with Iraq, are interstate, that is to say, they were signed between the former Yugoslavia and Iraq, so that all the firms have their hands bound now. Of the 23 firms from the whole of former Yugoslavia, the majority are Serbian.

An additional blow to the Serbian economy was last year's decision by Iraq to confiscate all property (in May 1992, following the decision, the equipment of other countries that carried out investment projects—Russia, Korea, China, Turkey, Poland... were also confiscated). Reports say that losses of Serbian firms add up to 70 million dollars. Spasic and Keserovic underline that all the confiscated property is registered, and that Iraq has undertaken to compensate for the entire loss. The equipment would have deteriorated lying in the sun and unused anyway, so Iraq's decision to lease it is quite rational.

Keserovic also stresses that one feels good when doing business with people and a country that do not receive you as an undesirable guest. Iraq is probably the only country in the world where the Yugoslav passport is welcome, while the doors are closed for the Croatian or Slovene passport.

Spasic emphasizes that Iraq's debts can be reduced to two groups: undisputable debts, which are registered in authorized Yugoslav and Iraqi banks, and much greater disputable debts. The process of collecting all the evidences of debt, either regarding goods, or construction works, or equipment has just been carried out. These data should be delivered to the UN Committee for Sanctions against Iraq. The data regarding demands of individual creditors have already been delivered. When the Gulf War started, there were about 8,000 workers from all parts of former Yugoslavia, who were evacuated. Demands for compensation have been submitted by 2,500 workers from Serbia, and 100 Montenegrin workers (2,700 workers from Bosnia-Herzegovina, 600 Croatian, 600 Macedonian workers, and 300 Slovenes). Officially submitted demands by Serbian and Montenegrin workers amount to 8.7 million dollars.

Charges Against Gen. Vasiljevic Reviewed

93BA0736A Belgrade NIN in Serbo-Croatian 5 Mar 93
pp 23-24

[Article by Zoran Al. Jovanovic: "In Court (Again): Dunces' Seat"]

[Text] *Gen. Aleksandar Vasiljevic is being tried for the same acts for which not that long ago he was decorated with the Order of National Merit. In fact, at least one of these acts never took place (this same military court established that fact recently), but is this minor personal truth more important than the major state untruth?*

On 1 February, the trial of Aleksandar Vasiljevic began, continuing a national campaign: when the battle is lost, sacrifice the generals. The panel of judges led by Dusan Dopudja, captain first class, began its work with prospects of completing it in the same farcical manner as their colleagues who ruled in the "Opera" case.

The former major general, who was stripped of his rank in a "drumhead trial," stands a good chance of being one of the main culprits for all the lost wars in this region over the past two years (unless the indictment is broadened). The former recipient of the Order of National Merit (received for his involvement in the whirlwind of war that is still going on) is answering to the court for the same acts for which he was in fact decorated with this high honor.

The people who gave him this decoration, the rump Presidency of the former SFRY (Branko Kostic, Borisav Jovic, Sejdo Bajramovic)—and who organized and ordered him to carry out these acts—will not answer for them for the simple reason that this would mean acknowledging their responsibility for the senseless, lost war. Because thus far, there is no record of a judge putting himself on trial.

With this trial, our public must finally recognize that the war was not organized, and accordingly was then lost—by Kostic, Jovic, and Bajramovic.

Failure to Report the Nonexistent

How did Vasiljevic significantly contribute to the defeat of Yugoslavia by Yugoslavia?

He is charged, as the highest-ranking officer for security in the JNA [Yugoslav People's Army], with having known about the actions of the "Opera" group, about their terrorist acts (destroying a Jewish cemetery and community in Zagreb, firing at the Banal Palace, destroying long-distance power lines, preparing to blow up the nuclear power plant in Krsko), and with not having reported this to higher command. In fact, at the beginning of the trial all these activities were ascribed to him and his organization, but after the pretrial investigation the charge was reduced to "knowledge and failure to report."

In its court trial, the "Opera" group was cleared on the charge of destroying the Jewish cemetery and community, preparing to destroy Krsko, power lines.... Nevertheless, Aleksandar Vasiljevic will have to answer for "knowledge of and failure to report" something that did not even exist.

A small digression is necessary here in order to clarify why this first of the four criminal acts with which the public prosecutor's office of the RV and PVO [Air Force and Air Defense] is charging Vasiljevic has been left in the indictment.

The military prosecutor's office is divided into three parts: military districts, the SSNO [Federal Secretariat of National Defense] (now the general staff), and the RV and PVO. When the reorganization of the Yugoslav military began in May of last year, the rump Presidency passed a resolution to abolish the prosecutor's offices of the SSNO and of the RV and PVO. The resolution was signed by Branko Kostic.

Somehow during that period, after the major purge of the army's top brass on 8 May of last year, Gen. Bozidar Stevanovic became head of the RV and PVO—a friend of the aforementioned president of the rump Presidency, Kostic. His first promise was to clean out old military security cadre.

That is how the "Opera" affair arose.

It was not easy, however, to clear this matter up without the recently abolished RV and PVO prosecutor's office. And so, only four days after the resolution to abolish the SSNO and RV and PVO prosecutor's offices, the rump Presidency nullified its own resolution. The RV and PVO prosecutor's office existed once more.

The decision was again signed by Branko Kostic, and that is probably the last act by the former Presidency to which his name is affixed.

The RV and PVO prosecutor's office brought criminal charges against the "Opera" group and Aleksandar Vasiljevic as the organizer of terrorist activities. And while this prosecutor's office has full jurisdiction over the

"Opera" case (even though it was supposed to have ceased to exist), Aleksandar Vasiljevic should be prosecuted by the SSNO (general staff) prosecutor's office, given the position that he held.

That is why the indictment against Vasiljevic included the first point about "knowledge and failure to report," regardless of the fact that it has already been established, in court, that that act did not even take place. Because of that item, the RV and PVO is the prosecutor at Vasiljevic's trial.

Vests, Weapon, Car...

The next three items in the indictment have absolutely no connection with the RV and PVO.

First, he is accused of giving, in September 1991, 100 bulletproof vests to the MUP [Ministry of Internal Affairs] of B-H [Bosnia-Herzegovina], without compensation, and thus shortchanging the military to the tune of \$94,300. Then, in January 1992, he ordered (recommended/urged) that the Bosnian police be supplied with a certain quantity of weapons from "Red Flag" (100 rifles, 300 pistols...). He is also being tried for giving six guns to military personnel from the shipment on Kikas's airplane. In addition, he is charged with exchanging prisoners whereby persons were turned over to the Croats who had been convicted or whose court proceedings were in progress. Moreover, he is charged with damage that he caused by organizing the "Canal" espionage campaign, which cost the state 18,000 German marks [DM] and \$2,000. The indictment states that he accepted a gift from Alija Delimustafic in the form of a "Mazda 323" for which he never paid. He also received 800,000 dinars in his checking account, also as a bribe from Bosnia, for services pertaining to the weapons from "Red Flag."

These are serious charges, about which the man on the street can say only one word, the most popular one at the moment in this region: traitor. Naturally, if one overlooks the fact that all these things happened before the war in Bosnia began, at a time when all military and political leaders were making an effort to "simply avoid war."

The 100 bulletproof vests were given to the MUP of Bosnia in order to jointly maintain the corridors to the borderlands, together with the JNA. They were not a gift, but rather were provided "on loan." And they were all approved by Veljko Kadijevic and Petar Gracanin.

Exchange

Aleksandar Vasiljevic made a recommendation on the sale of weapons after three meetings of the Staff of the Supreme Command and the SSUP [Federal Secretariat of Internal Affairs] and the B-H Presidency headed by Alija Izetbegovic. This was after their agreement that Serbia should help the MUP of B-H with equipment and arms in order to jointly disarm the "green berets" and other paramilitary formations.

Perhaps Vasiljevic should be tried for the six guns that he gave active military personnel and one retired general. In fact, all the guns were provided on loan. The question, however, is who should be tried for the approximately 300 guns under RV and PVO jurisdiction that disappeared from Kikas's captured airplane.

Aleksandar Vasiljevic did exchange Branko Glavinic and "the Split stranglers." However, no one knows that they were serving prison sentences in Foca, from where, several days before the exchange, they were supposed to go to Split to finish serving their sentences.

Fortunately, the Croatian negotiators did not know this either, so that they agreed to the exchange. They turned over Gen. Aksentijevic for Kikas, a group of captured members of the KOS [Yugoslav Counterintelligence Service] from the "Labrador" group (19 of them) for the "stranglers" and another seven pilots shot down over Croatia.

In another exchange, for the "notorious" Vesna Bosanac and five medical workers from Vukovar Hospital, the Serb side got Dragan Stojcinovic, a pilot, a captain first class who had been in Mostar and horribly tortured in Split, and all the military and civilian personnel from the Gospic military post office, whose horrors had been learned of.

In fact, despite the media rumors that continue to this day, Vesna Bosanac did not do what is attributed to her. This is attested to by seven soldiers whom, while wounded, she treated and healed, and four Serb soldiers who, while healthy, she kept as patients, thus saving their lives.... This is also confirmed by the decision by the military prosecutor who, after detailed investigation, gave up on criminal prosecution.

Because of all this, Vesna Bosanac has presumably been deleted from the indictment against Aleksandar Vasiljevic as well.

It must be said of the "Canal" campaign, in which DM18,000 and \$2,000 were spent, that it was approved at the highest level, by Gen. Kadijevic. This campaign was intended to keep two ships loaded with weapons and bullets and anchored at Constanta from reaching Croatia. The noted sums of money were loaned to the people who undertook the mission. The weapons and ammunition from Constanta did not make it to Croatia, and thanks to "Canal," five other arms smugglers from Croatia were captured in Italy.

Vasiljevic bought the "Mazda 323" from a Sarajevo company, but other generals got cars the same way. Aside from the downpayment, Vasiljevic made payments on the car for six months, until trade payments with B-H were halted.

Et cetera...

Aleksandar Vasiljevic has spent 110 days in pretrial detention. He has been questioned only once, at the time when they locked him up. There have been only 11 days

of questioning witnesses, at which he was supposed to be present. The other 99 days, he has sat alone, listening as somewhere they beat his acquaintances, witnesses, high-ranking JNA officers.

He was one of the main heroes of the war in Croatia, the one who organized the filming of the Spegelj meetings in Virovitica, the one who could have prevented the war in Croatia and Slovenia, if they had allowed him to....

Serbia

Milosevic Offers To Host Bosnian Cease-Fire Talks

LD2503214993 Belgrade TANJUG Domestic Service in Serbo-Croatian 2049 GMT 25 Mar 93

[Text] Belgrade, 25 Mar (TANJUG)—Serbian President Slobodan Milosevic today received French General Philippe Morillon, commander of UNPROFOR [UN Protection Force] for Bosnia-Herzegovina, a statement from the office of the president of the Republic says.

Gen. Morillon acquainted President Milosevic with current issues of importance for the realization of the tasks entrusted to UNPROFOR on the territory of Bosnia-Herzegovina and the great difficulties facing his mission.

The efforts to achieve peace, it was said in the talks, will continue to receive the support of the Republic of Serbia, which advocates the achievement of a peaceful and just political solution to the crisis in Bosnia-Herzegovina.

This was how President Milosevic supported the efforts of Gen. Morillon to achieve a general cease-fire, stressing the well-known fact that the Serb side in Bosnia-Herzegovina has publicly declared its support for a cessation of all hostilities and a political solution to the crisis through negotiations.

Noting that the problems described by Gen. Morillon can only be authoritatively discussed with the legitimate representatives of the sides in the conflict in Bosnia-Herzegovina—and the Republic of Serbia is not a party in the conflict, although it is, like the entire Serbian nation, keenly interested in achieving peace in Bosnia-Herzegovina—President Milosevic offered to host Gen. Morillon and [Bosnian Serb commander] Gen. Mladic in Belgrade in order to enable them to seek a solution in the interests of peace through direct contact and to jointly establish proposals for a general cease-fire that would be observed by all sides in the conflict in Bosnia-Herzegovina.

Serbia is prepared to offer hospitality to the representatives of all the warring sides and to assist in the intensification of talks to achieve peace.

It is expected that Gen. Mladic will accept this proposal and that there may be a meeting of Gen. Morillon and Gen. Mladic as early as tomorrow in Belgrade, the statement from the office of President Milosevic says.

Morillon: Milosevic Promises Help on Cease-Fire*LD2503224393 Belgrade TANJUG Domestic Service in Serbo-Croatian 2147 GMT 25 Mar 93*

[Text] Belgrade, 25 Mar (TANJUG)—French General Philippe Morillon, UNPROFOR commander in Bosnia-Herzegovina, said in Belgrade this evening that Serbian President Slobodan Milosevic has promised to help him with the implementation of a cease-fire, not just in the Srebrenica region, but in Bosnia-Herzegovina as a whole.

After the meeting with Milosevic, which lasted nearly two hours, Morillon told the journalists waiting inside the Serbian Presidency building that Milosevic has agreed to help with the establishment of a road corridor for the deliveries of humanitarian aid to eastern Bosnia.

I asked for Milosevic's consent regarding the opening of an air corridor for the evacuation of the wounded from Srebrenica and for the deployment of UN military observers and the UNPROFOR in eastern Bosnia, said Morillon. Milosevic agreed with me that this was a crucial stage between peace and a fresh war, which would be a catastrophe not just for Bosnia-Herzegovina, but for the people here as well, said Morillon.

The French general confirmed a possibility of him meeting Colonel General Ratko Mladic, commander of the Serb Republic Army, in Belgrade tomorrow.

Union Calls General Strike in Belgrade, Elsewhere*AU2603083893 Belgrade Radio Beograd Network in Serbo-Croatian 0800 GMT 26 Mar 93*

[Text] The warning strike by the Independent Trade Union of Serbia began at 0700 in Belgrade. In Belgrade, the strike will last until 2200, but in other cities in Serbia it will only be from 1000 to 1100. According to our information, many companies have halted production. The Belgrade assembly said that all the vital city services will continue to function. The organizers of the strike are demanding that the government fulfill the agreement on the minimum price of labor for February, the payment of salaries in two installments, and the moratorium on price rises.

Belgrade shops will be open shorter hours, that is, Sunday working hours. PKB shops [Belgrade grocery stores] will be open from 0700 to 1300. The city transportation company will also be operating Sunday schedules.

PTT Official Says 90 Percent of Post Offices Working*AU2603090393 Belgrade Radio Beograd Network in Serbo-Croatian 0800 GMT 26 Mar 93*

[Text] How is the postal system functioning in Belgrade? Milan Brujic, deputy manager of the PTT [post, telephone, telegram services] of Serbia, will inform us about the situation.

[Begin Brujic recording] Out of 159 post offices in Belgrade, 149 are working today. We issued an order yesterday saying that at least 32 post offices had to work today. We even organized transportation for the employees of these post offices. However, employees in other post offices also turned up, so the postal system is operating at 90 percent capacity. I would also like to use this opportunity to say something else. Our postmen—of which there are over 3,000 in Belgrade—finished delivering the salaries yesterday. They worked in two shifts yesterday until 2200 last night, so all the salaries were paid out yesterday. There could be individual cases where pensioners have not yet received their pensions, but that will be taken care of today or tomorrow. [end recording]

Transportation Workers Demand Lifting of Sanctions*93BA0702D Belgrade POLITIKA in Serbo-Croatian 2 Mar 93 p 11*

[Unattributed report: "Warning From Employees in Water Transportation: Sanctions Threaten Existence but Also Safety of Fairways"]

[Text] Labor unions for harbor and wharf workers as well as employees in Serbian river, sea, and lake transportation released a letter yesterday in which they asked the International Labor Organization and kindred labor unions in Danubian countries to lift the sanctions. The blockade has deprived 10,500 members of these unions of the right to work, and thus threatens their existence as well, which they contend is being maintained only thanks to the inadequate compensation for mandatory leave.

The blockade and separation from work places is not only affecting individuals and their families, but also making it impossible to properly maintain the Danube fairway. Aside from these problems, the discontent of members of the two bodies at yesterday's session was rekindled by the failure of Minister of Transportation Zarko Katic to show up, who, it was said yesterday, has already failed to keep his word twice before, in a similar fashion.

Several People Wounded in Pancevo Explosion*LD2603091693 Belgrade TANJUG Domestic Service in Serbo-Croatian 0849 GMT 26 Mar 93*

[Text] Pancevo, 26 Mar (TANJUG)—A strong detonation, causing anxiety among citizens, was heard in Pancevo at 0709 this morning.

According to initial unofficial reports, the explosion occurred in Dimitrije Tucovic Street Number 74 in the Gornji Grad local commune. The building was destroyed and several nearby buildings were damaged.

A number of people were injured in the explosion. They were urgently transferred to Pancevo hospital.

The Pancevo police have not yet issued a statement about the event.

Serb Army Reportedly Harassing Muslims

LD2603132493 Tehran IRNA in English 1240 GMT
26 Mar 93

[Text] Belgrade, March 26, IRNA—Reports are rife here of a large concentration and movement of Serbian Army and police backed by fighter jets in the mainly Albanian Muslim region of Kosovo.

The Kosovo Democratic Alliance (DSK), the largest political party rallying Muslims, says that Army action means the Serbian parliament is "to increase repression in Kosovo and brutality in the Decani region."

Kosovo has been under what amounts to martial law since its autonomy was abolished by Serbia in 1991.

The Serbian news agency TANJUG this week carried reports of a concentration of troops and tanks by the Albanian Army on the Kosovo border adjoining Albania.

Foreign observers fear that Kosovo could be the next focus for war in the Balkans, from where it would spread to engulf Europe. The West has warned Serbia not to provoke more bloodshed in the region.

Meanwhile, the Human Rights Committee reports yet another explosion in a Muslim-owned cafe in the Sandzak town of Sjenica in the early hours of Thursday morning [25 March]. Despite extensive damage, no one was injured, the report says.

The incident is one in an on-going campaign of harassment against Sandzak Muslims by Serb militants and their sympathisers, involving murder, arson and wholesale kidnapping which has caused thousands to emigrate over the past two years.

In Belgrade, a Federal Parliamentary Committee for Defence and Security has asked for information from the federal government on the security situation in the Sandzak and Kosovo.

The demands were put by the Serbian Radical Party, whose members are associated with atrocities in Croatia, Bosnia and the Sandzak. The radicals also used the occasion to raise racist feelings in Belgrade, the Serbian capital.

Radicals called the Sandzak "a hotbed of fundamentalism" and "a bastion of fifth-columnists", and hit out at Muslim requests for equal status for the area.

Muslim intellectuals, they said, wanted Serbian President Slobodan Milosevic, radical leader Vojislav Seselj and Serbian delegate "Arkan" tried for war crimes.

Zeljko Raznjatovic "Arkan", whose followers openly boast of their atrocities against non-Serbs, is wanted by the police in many countries for armed robbery.

Montenegrin radical, Milika Dacevic "Ceko", recently tried but not sentenced for his part in an armed uprising

in Montenegro last summer, proposed that the Muslim Party for Democratic Action (SDA) should be banned in Serbia-Montenegro.

The Sandzak borders on a part of Bosnia overrun by Serb irregulars, who also freely cross into and patrol Serbia-Montenegro, despite a huge Army and police presence. None of the killers or kidnappers of Muslim civilians has ever been found.

Another radical delegate, Slobodan Petricevic, said that Belgrade, with over 100,000 Muslims, 20,000 Croats and 150,000 Albanians was "the most dangerous city".

The only incidents which have taken place in Belgrade have all been directed at non-Serbs, mainly well-known Muslims, some of whom have been forced to leave.

But the greatest danger came from the Sandzak, Petricevic said, adding: "Kosovo is holding well but it costs too much."

Petricevic suggested confiscating the passports of Kosovo Albanians who do not recognize "Yugoslavia" (Serbia-Montenegro), as state, which incidentally has not yet been recognized by the international community.

Situation in Sandzak Tense, on Brink of War

93BA0736B Belgrade NIN in Serbo-Croatian 5 Mar 93
p 22

[Article by Svetlana Djurdjevic-Lukic: "Surprise Attack on Railroad: Spillover of War"]

[Text] *The chain of events in the territory of Old Ras, or Sandzak, from the abduction of Muslims from Sjeverin to the surprise attack in Strpce, is eliciting an utterly lukewarm reaction by competent institutions, filling the notebooks of foreign observers, and leading to the brink of armed conflict.*

The violence and lawlessness within sight of the ostensible rule-of-law state is continuing and assuming increasingly drastic forms. The raid by, to all appearances, members of the Armed Forces of the Serbian Republic [of Bosnia-Herzegovina] on express train 671 along the Belgrade-Bar route and the forcible abduction, to parts unknown, of 20 men is only one link in a long chain of events in the territory of Old Ras, or Sandzak, and the border with Bosnia-Herzegovina [B-H], the most significant of which are the abduction of 17 Muslims from a "Raketa" bus in Sjeverin last October and the murder of three Muslims in the town of Kukurovic, near Priboj, this past February. The dozens of torched houses and shops are "minor excesses"....

There was a delay in notifying the public about the event at Strpce train station, and for two whole days the perpetrators were described as "unknown kidnappers," although it was well known that this was territory controlled by Serbs, and eyewitnesses even said immediately

that some of the assailants wore Serbian militia insignia. Sapija Zubcevic, a refugee from Trebinje who was in the train and whose husband Halil was forcibly abducted, told NIN: "The assailants were very young, 20 years old. One young man who was neatly dressed and who behaved properly asked for identification, and after him came young men in camouflage uniform, some of them with fur hats and beards. They had submachine guns. There was a Serb with us in the compartment, but they did not take him, and no one, neither the conductor nor the policemen on the train, reacted. It all happened very quickly, in only 10 or 15 minutes, and not two hours as was reported."

It is obvious that there were members of the MUP [Ministry of Internal Affairs] on the train, but they calmly observed what was going on. The (rare) statements made by state institutions emphasize the special nature of the Serbian Republic, not the fact that citizens of this country were taken away. As a reminder, Serbia is constitutionally defined as a state of citizens....

Police in Priboj refused to comment on the event, explaining that all of it happened outside the territory of that opstina, as if prior cases from the territory of that opstina had been solved. The Executive Committee of the Opstina Assembly rejected a petition signed by several hundred Muslims to convene a special session of the Priboj Opstina Assembly to discuss the abduction and the security situation. The epitome of cynicism is reflected in the comment by the head of the Serbian Radical Party in Priboj: "Someone else's country, someone else's military!"

At the request of the president of Prijepolje Opstina, Radojko Petric, the vice prime minister of the Republic of Serbia, Zoran Arandjelovic, Minister of Justice Tomislav Ilic, and the head of Zlatibor Okrug, Slobodan Vermezovic, visited this town, from where the largest number of Muslims were kidnapped, but refused to address the gathered citizens of Muslim nationality.

"The atmosphere is very tense, it is the month of Ramadan, and hunger and thirst are heightening nervousness.... Although we have insisted, republican officials do not want to go before the citizens and calm them down, perhaps thinking that there is some sort of risk involved," Zevdjo Huric, the chairman of the SDA [Party of Democratic Action] of Prijepolje and of the coordinating committee formed after the abduction of, according to the latest reports, seven Muslims from the territory of that opstina, told NIN.

Now it has come to light that members of Serb (para-)military forces in Bosnia-Herzegovina have previously identified refugee Serbs on passenger trains passing along the part of the Belgrade-Bar route outside the borders of the FRY and taken them away for mobilization, that they recently threatened to blow up the track if two of their comrades arrested for extorting money in the presence of staff at the "Palisad" Hotel are not released

from an Uzice prison.... It appears that the latest kidnapping was carried out with the idea of exchanging the abducted passengers for 26 Serbs whom Bosnian Muslims captured during a recent attack on Rudno.

And while the notebooks of the CSCE mission, Tadeusz Mazowiecki, and Helsinki Watch are full of examples of lack of respect for human rights and expulsions of Muslims, despite the huge concentration of military and police personnel in this area (THE GUARDIAN estimates around 20,000 people), officials continue to list the perpetrators as "unknown." And not only that: Events such as these elicit utterly lukewarm condemnation by those in charge, and are quickly forgotten, while the media deftly generate (counter)stories that provoke additional anxiety among the people. For example, 10 days ago one newspaper began circulating a story about the existence of three "secret underground jihad hospitals" in the towns of Hisardzik, Zaluga, and Ivan, equipped to treat green berets. The chairman of the Prijepolje Opstina Assembly, Radojko Petric, citing even the Uzice SUP [Secretariat of Internal Affairs], immediately denied this, after which the opstina committee of the SPS [Socialist Party of Serbia] did so as well. The newspaper did not publish that part....

Back in September of last year, Rasim Ljajic, writing on behalf of the Muslim National Council, sent a letter to the prime minister of the FRY, Milan Panic, warning him that more than 70 percent of the Muslims had already been expelled from Priboj, Pljevlja, and Bijelo Polje Opstinas. The Committee for the Protection of Human Rights and Freedoms in Novi Pazar warned last November that there are "plans for the ethnic cleansing of Muslims" from this region. Only a few days before the latest events, the Fund for Humanitarian Law in Belgrade warned that the "uncontrolled presence of various military groups from Bosnia and their connections with local militant groups" are encouraging mass expulsions.

Various similar appeals have had no effect whatsoever, except for the fact that after the event with the Sjeverin Muslims, at the initiative of President Cosic, a state commission was set up including his advisor for domestic policy, Vladimir Matovic, Adm. Milosav Simic, the head of administration at the Federal Ministry of Internal Affairs, Veljko Golubovic.... Momcilo Grubac, the federal minister for human rights and the rights of minorities, announced at the end of his term that following its visit to Priboj the government commission had drawn up a report and sent it to Mr. Radoje Kontic, but that the perpetrators are still unknown.

The commission had legal problems—no agreement was reached with authorities in B-H, so that the investigation could not be conducted beyond the borders of the FRY, which is where the Sjeverin Muslims were in fact abducted.

Mr. Mahmut Memic, the deputy federal minister for human rights and the rights of minorities, told NIN that the only solution is to take preventative action, and not post festum.

"We must set up an agency of our ministry in the field that will act continuously. There is no room for paper-pushing politicians, because this involves saving human lives. Agreement has been achieved on this issue at the federal level, but there has been no response to my letter to President Milosevic containing this proposal. The aim of this abduction from the train was apparently to destabilize Prijepolje. Previously, Pribor was the critical point, and Prijepolje is an example of how coexistence is possible."

Who actually controls this region, and in whose interest is it to take relations between the Orthodox and Muslim population to the brink of conflict?

Objectives of Fund for Development

93BA0733C Belgrade EKONOMSKA POLITIKA in
Serbo-Croatian 1 Mar 93 p 20

[Article by Miodrag Zec: "The Concept and Practice of the Fund for Development of Serbia"]

[Text] The fund was established as a socially owned institution on which the determining influence would be exerted by the government through its appointment of the board of directors and the director and through the requirement of its consent to the status, organization, program, and policy of the fund. The law opens up the possibility of the fund's transformation into a joint stock company with consent of the government and the legal limit of 51-percent government ownership of total capital, which guarantees the dominant influence of the government on the fund's policy. The fund's activity and objectives are very heterogeneous; in this connection, there is no insistence that business be conducted for a profit, but rather that processes be encouraged which are desirable from the standpoint of overall economic development. In its policy, the fund puts key emphasis on two basic dimensions:

1. Stimulation on economic foundations of the restructuring of the economy with respect to ownership, production, and financing;
2. Creation of the programmatic and infrastructural prerequisites for faster development of the underdeveloped regions, with special emphasis on stimulating return of Serbs and Montenegrins to Kosovo. In that sense, the fund is the legal successor of the rights and obligations of a broad network of institutions which in the past financed development of the underdeveloped, which makes the overall financial structure of the fund very unstable.

The conception of the fund's participation in transformation of ownership, production, and financing is implemented through a large number of initiatives, of which the following are the most important:

1. The fund actively initiates the process of ownership transformation in firms, requiring that financial consolidation be achieved through the change in the legal form

of the firm. By initiating the process of privatization through the participation of employees, the fund provides real additional capitalization on the basis of a direct investment in the firm, or, on the other hand, by purchasing domestic and foreign debts of the firm and converting those claims into its own contributions to permanent capital.

2. The fund is the principal moderator of the bank's involvement in the process of ownership transformation and consolidation of firms in that by buying shares of the bank, it augments their potential, requiring that the bank convert its own claims from the firm into permanent investments by the same or a larger amount.

3. The fund extends loans for working capital under favorable terms for financial relief or for the firm to adapt its production program, which, given the preferential conditions, guarantees the firm's profitability and assumes part of the burden of adapting the production program.

4. The fund shares in the independent decisions of firms, stimulating the purchase of capital, in that it reinvests the augmented funds in the firm as its owner's contribution, thereby at the same time changing the structure of ownership and financing and guaranteeing consolidation without using funds from the budget.

5. The fund makes direct use of the money generated by the sale of property to extend credit to workers to purchase their own firm, thereby figuring in the role of financial intermediary and eliminating the credit relationship between the firm and the workers.

6. The fund directly initiates the takeover of firms in Kosmet through a transfer of stock to the fund or to other firms in the central part of the republic. This type of ownership conversion transfers ownership outside the firm. The fund will sell its shares on the market, thereby initiating a permanent change in the structure of ownership and management. In this case, the fund is a transitory institution shaping and speeding up the process of transformation.

The second basic dimension of the fund's operation comes down to creating the preconditions for more uniform regional development and return to Kosovo. The basic idea of linking the process of uniform development to transformation is difficult to harmonize because of a number of obligations taken over from funds of which the development fund is the successor, and because of the need for day-to-day intervention, where numerous regional interests come into play.

In this heterogeneously posited concept, there are numerous sources of funds which are very uneven in quality. They are as follows:

1. Funds from the republic budget earmarked for financial consolidation, financial rescue, and ownership transformation;
2. Mandatory allocation of 1.5 percent of the social product for regional development and migration policy;

3. Domestic and foreign credits and loans;
4. The issuance and sale of securities;
5. Funds from repayment of loans issued earlier;
6. Funds from voluntary assistance;
7. The sale of socialized capital, the sale of firms or parts of firms, and funds remaining after liquidation of socialized firms;
8. The sale of stock transferred to the fund.

The Fund's Performance

Numerous problems have been cropping up in the practical operation of the fund; they have resulted from the conceptual divergency of the objectives that have been set and of the extremely difficult situation, which requires reaction and intervention in order to maintain equilibrium and prevent a wave of bankruptcies and economic chaos. The idea of concentrating all funds for development and of channeling their placement under direct control of the government, has come into conflict with the set of diverse criteria and has not resulted in respect for the key principle that all the other objectives be realized through ownership transformation. The existence of the broad range of objectives demands an answer to the question of what the key task of the fund is, which must be defined in conceptual terms, because the fund's policy has been taking blows from current conflicts of interest.

Unless this problem is solved, the fund will be the place where the following approaches collide:

1. The fund as a transitory institution whose objective is to speed up privatization and designation of a specific owner of socialized capital;
2. The fund as a financial institution whose objective is to achieve financial consolidation and financial rescue on the basis of the new ownership;
3. The fund as a development bank which is pursuing restructuring and development;
4. The fund as an administrator of the government budget in order to balance development, remove bottlenecks, and achieve import substitutions.

Unless the fund's basic concept is shaped more clearly in conceptual terms, pragmatism will always predominate in its practical operation, affirming the rescue functions of the fund, rather than its functions in development and transformation of ownership.

Numerous initiatives to speed up ownership transformation and achieve a clear ownership regime make it imperative to radically change the concept and practice of the fund (funds) as crucial transitory institutions.

Milk Production Down, Prices Up

93BA0733B Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 1 Mar 93 p 15

[Article by P. Ursic: "Milk: The Race Against Inflation"]

[Text] The bakers have decided to change the situation in which a loaf of bread is cheaper than a box of matches or a plastic bag by doubling the price of their principal product on their own initiative. On the day when this issue was put to bed, the reaction of the Sainovic government was still not known.

The scant news about the first economic measures of the new republic government have contained, however, announcements that the prices of products vital to supply of the public will be allowed to increase only once a month, and then exclusively with prior permission of the government. "We dare not even think about that," is the first reaction of Mirko Djenic, director of the Zemun Dairy, concerning the possibility of whether milk and dairy products would be on that list along with other basic foodstuffs. Even after three price increases this month, that is, the dairy operators have been forced to plan a new increase in the price of milk during the first 10 days of March.

The price of milk is: 30-15-10.... Since last October, the price of milk has been on what is called the "notification regime," the least severe regime of government control, which means that the competent authorities must be informed about application of the new price at least a week before it takes effect. Over the last five months, the supply of the milk has been satisfactory. At the same time, the price has risen moderately compared to the price increases of other products. "The agreement was to make minimal increases so that producers would nevertheless manage to maintain production. At the same time, mindful of the consumer, we have tried to adjust the monthly price increase to the rise of salaries and pensions," Djenic says.

In January, however, there was an appreciable lag behind the rise of other prices, especially of our inputs, so that in the next month there were even three price increases—on 1, 11, and 21 February. The dairies have made the transition from monthly to semimonthly to 10-day adjustments of milk prices. The next increase, then, is announced for the beginning of March.

In the meantime, electric power has become 145 percent more expensive, petroleum—100 percent, containers—between 150 and 300 percent, and the exchange rate of the mark, everyone's benchmark, has also been rising at a dizzying rate. At the same time, the most recent calculations indicate that production of a liter of milk costs the producers between 2,000 and 2,400 dinars, while the dairymen under the present conditions are managing to "cover" only 1,800 dinars. "These are facts which we cannot alter," we were assured in the Zemun Dairy while they were preparing the new price increase.

"Dear Consumers..."

A government decree states that the share of the basic raw material (unprocessed milk) cannot be less than half of the price of pasteurized milk. Depending on the dairy, the share of energy is between 10 and 15 percent. The riddle for quite a few producers is whether the remainder will cover the price of containers, which are hard to obtain. It is only thanks to old inventories at the dairy on the Batajnica Highway that the share of the price of PVC bags for milk does not exceed one-fourth of the total price. "However, the share of the price of the container in the price of a package of yogurt is an incredible two-and-a-half-fold greater than the share of the price of milk," Djenic says.

All those who have tried to figure out from the instruction beginning "Dear Consumers..." posted on the refrigerator of almost every supermarket, whether, say, yogurt is in the cup intended for the packaging of cream or fruit yogurt, whether "milk" means the same as milk, and so on, have seen for themselves that the problem of containers is one of the most urgent problems in the dairy industry. Because its proportion of the price is too high, the domestic producer in Gornji Milanovac does not have sufficient incentive to produce it. That is why bulk distributors of milk and yogurt are springing up, and the morning lines in front of them are becoming longer and longer.

Not Too Much Hope

Taking the long view, we may face a serious and lasting shortage of milk. Although in the Serbian Chamber of Commerce they are planning a 3.8-percent increase of production to two billion liters this year, it is not very clear on what that projection is based. The number of cattle, that is, has been dropping continuously at a rate of 2 percent per year since 1975, and at the beginning of this year it was at the minimum which marks the so-called red line. Last year's milk production was 6 percent below that of the previous year. Producers, who lack motivation, at the same time delivered less than a third of their total output. Total milk production for direct consumption is thus off 9 percent. Along with the drop in total production, the precipitous drop in purchasing power has had an impact toward reducing production of fermented dairy products by about 30 percent and cheeses by about 20 percent. So, the dairies can hardly hope to realize a larger profit from finalizing milk or avoiding losses by producing milk for direct consumption.

The problem, unfortunately, also has another equally dark side. With a milk production per dairy cow of 1,755 liters, on the European productivity ladder Serbia is ahead of Albania and no one else. The figure that the average productivity is 5,531 liters in the socialized sector is no consolation for several reasons. Improvement of the breed structure and knowledge of animal husbandry are only some of the measures which the specialists feel deserve priority. However, several serious

surveys contain a warning that productivity has a considerably smaller impact toward changing overall business performance on farms than production costs and the purchase price of milk.

The system of farm product prices as defined in the recently adopted long-range program of agriculture policy of the FRY does really resemble that of West Europe. But the scant funds from the budget on the one hand and hyperinflation on the other have the effect that the news about the most recent increases in support prices is written with the smallest letters in the newspaper. At the moment, all eyes are turned to Radoje Kontic: Without comprehensive changes, no change for the better in the isolated sector of agriculture can be expected.

Prior experience, unfortunately, warns that there is not much hope.

[Box, p 15]

Obtaining Cheaper Milk

According to Mirko Djenic, the dairies will soon present the competent authorities a list of proposals that should contribute to reducing the price of milk. We single out the most important:

- Fixing a premium in percentages of the support price or purchase price of milk.
- Providing funds from the National Bank of Yugoslavia to import containers and remove the duties that apply.
- A rebate on the price of petroleum as existed two years.
- An increase in the amount of support provided through note issue.
- Reducing personal income taxes of employees in the dairy industry by the amount the milk price is reduced.
- Examining possibilities of reintroducing compensation taxes on tobacco and alcoholic beverages, as was the case a few years ago.

MUP Policemen Arrested for Smuggling

93BA0702F Belgrade BORBA in Serbo-Croatian
27-28 Feb 93 p 20

[Article by M.A.: "At Djeneral Jankovic Border Crossing Between Serbia and Macedonia: Arrested Policemen-Smugglers"]

[Text] Pristina—Twenty policemen with the MUP [Ministry of Internal Affairs] of Serbia and four civilians who accepted bribes to allow smugglers' trucks with goods subject to export bans to pass have been arrested at the Djeneral Jankovic border crossing between Serbia and Macedonia.

It is not out of the question that there will soon be several more arrests of policemen who worked at this border crossing in the previous shift, because the chain of smuggling is rather long.

For now, the investigative judge with the Okrug Court in Pristina has received a petition for an inquiry against policemen Milan Jeremic, Ljubisa Filipovic, Boban Igic, Vladislav Kostovic, Trajan Trifunovic, Sasa Mincevo, Zarko Jozic, Dragoslav Vukovic, Zoran Tokalic, Bogdan Jankovic, Sasa Djordjevic, and Aleksandar Horvatic.

Also being investigated are Fatmir Berisa and Sasa Nacic from Djeneral Jankovic, Arnit Asani from Skopje, and Ramiz Djulja from Pristina.

In the petition for the inquiry, reference is made to the well-founded suspicion that the policemen in question have acted contrary to the decree by the government of Serbia banning the sale of certain products as well as ordinances on the import, control, and inspection of goods and vital foods.

The petition specifies by saying that they allowed trucks and vehicles with smuggled goods—cigarettes, edible oil products, sugar, oranges, firewood, and grapes—to pass even though they were obligated to check them.

The bribed policemen generally received foreign exchange for the nonperformance of their duties, and a rate of 100 to several thousand German marks per admitted truck with smuggled goods is mentioned.

Since there is still no official information available on the case, it is being said that the trucks in question also contained weapons, and that this chain of corruption was cut off on the Macedonian side, where representatives of UNPROFOR [United Nations Protection Force] were participating in truck inspections, whereby they actually discovered the illicit smuggling.

Austria's 'Rabid Hatred' Toward Serbs Viewed

93BA0709A Belgrade NIN in Serbo-Croatian 26 Feb 93 p 52

[Article by TANJUG correspondent: "Deep Roots of Hatred"]

[Text] "I sometimes think I am dreaming. As if we are back in 1914," Milo Dor, Austrian writer of Serbian origin, said in a public panel discussion in Vienna at the height of the militant campaign of the Austrian media and foreign ministry against the Serbs.

This campaign has died down somewhat right now, because the framers of Vienna's foreign policy were embarrassed and did not know where to go next following what was for them the unexpected decision of the United States to finally support the plan of Cyrus Vance and Lord Owen for Bosnia. But it has never really stopped. Only its intensity has changed in keeping with the international situation and the mood of the West concerning military action in the Balkans.

The arguments in favor of the campaign are not very important. Something is always found. So long as it was believed that the Serbs would not accept the Vance-Owen plan, that plan was praised to the skies here. As soon as the Serbs accepted it, it became bad, unfair, unacceptable. Arguments used first in defense of peace suddenly become valid for propagating intervention, that is, war.

The main role in propagating hatred is performed, of course, by the media, headed by radio-TV. It is worth remembering here that aside from the Vienna weekly PROFIL, Austria does not have a single independent news periodical. The daily press and periodicals are under control of the government, which cleverly doles out subsidies only to "the good" and obedient. Private radio and television do not exist at all. Which is why the campaign is so loud and so focused.

The Serbs are "barbarians," "looters," "murderers," "modern Nazis," "highway robbers"...epithets like these, dealt the Serbs by NEUE CHRONEN ZEITUNG of Vienna (a paper of the radical right with a circulation of 1 million), long ago became part of the routine "journalistic" expression of Austrian commentators.

Unrestrained savage hatred also gushes from every line written in KURIER, PRESSE, STANDARD, SALZBURGER NACHRICHTEN.... Whereas politicians have to stick to some kind of good manners, the press which they control need not hold back at all.

Sometimes even racist tones are heard, just as way back in 1914. KURIER, for example, on one occasion equated the Serbs with the "savage Asian hordes" which destroyed everything before them and which therefore have to be stopped by every means. This is a people, says KURIER, which has nothing whatsoever to do with civilized Europe, these are "savage hordes." The Vienna STANDARD recently sang authentic hymns of praise to Islam and its "tolerance" and "humanity." As far as the Serbs go, they belong to the Christian Orthodox Church, an institution whose principal characteristics are dogmatism and obscurantism. "Bosnian Minister Silajdzic is right when he says that this war in Bosnia is a war of the 'barbarian' Serbs against civilization," STANDARD concludes.

The roots of Austrian hatred toward the Serbs are deep. They reach far back into history, long before the assassination in Sarajevo, an event which is still commented on frequently here and compared to what is happening in the Balkans today.

By contrast with the Slovenes, Croats, and later the Muslims, with whom the Hapsburg Monarchy never had problems, the Serbs were always greedy, insubordinate, unruly, and rebellious. In the end, they are also to blame for the downfall of what then was the strongest state in Europe, a "sin" for which the people here will never forgive the Serbs.

The dream about former greatness and the mindset concerning the "identity" of the party to blame for the downfall are the main reason why the Austrians were the worst among the Nazi criminals in Yugoslavia during World War II. The worst against the Serbs, it goes without saying.

Today, after the Iron Curtain has fallen and the Soviet Union and SFRY have disintegrated, in Austria there are a large number of politicians in power, members of the Populist (Christian Democrat) Party who seriously dream about a return of the old glory, although in a somewhat different form.

Those politicians include, before all others, Vice Chancellor Erhard Busek and Foreign Minister Alois Mock. Busek has said on several occasions at election campaign meetings that Austria would "again conquer central Europe." The plan is through close cooperation to recover influence on the former "colonies" Slovenia, Slovakia, the Czech Republic, Croatia.... They also have an eye on Muslim-Croatian Bosnia-Herzegovina if such a state should exist, as well as to the northern Italian province of Alto Adige, which the Austrians call the Southern Tyrol and which until 1918 was part of the Hapsburg Monarchy.

There are also many Christian Democrats who dream of returning to the throne in Vienna the 80-year-old Otto von Hapsburg, son of the last Austrian emperor, or even Otto's son, the 32-year-old Karl, who in recent months has been an authentic media star in the Alpine republic.

There is, of course, no need to even talk about the rabid hatred of the Serbs evident in the speech of the miraculously vigorous Otto von Hapsburg when he is given an occasion to appear on the screen of Austrian television.

The fact that the Serbs are Christian Orthodox, not Catholics, is also one of the important reasons why the Austrians hate the Serbs.

Alois Mock, foreign minister, who spent some of his school years in a Catholic monastery, has been aggressive and so passionate in his international campaign against the Serbs most of all because he is convinced that this is his sacred duty as a devout Catholic, this correspondent was told in a conversation by one of the disinterested Western analysts, who unfortunately are so few.

One needed only to see the relish with which Mock chatted with a newsman from PRESSE of Vienna at a time when military intervention against the Serbs seemed to have good prospects, about how he, if someone gave him that task, would bring the Serbs to their knees. He would not talk to them at all, but would only issue them "ironclad" ultimatums. And all of this spiced with "precise military strikes"—against Belgrade, important strategic military points, telecommunications centers....

In the meantime, things have taken a quite different course, but the persistent Mock is not reconciling himself to that. Thanks to him—because he shapes Vienna's

foreign policy without paying attention to the Social Democrat chancellor, Franz Vranitzky—Austria is today probably the only Western country which still thinks that peace in Bosnia should not be sought through negotiations, but should be compelled by force of arms.

Montenegro

Rail Workers Begin General Strike

LD2503212093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1620 GMT 25 Mar 93

[Excerpt] Podgorica, 25 Mar (TANJUG)—Montenegrin railroad workers began an all-out strike at 1200 today since by that time their demand that their February pay should not be less than two million dinars had not been met.

The decision to halt traffic on lines in this republic does not apply to trains which began their journey before 1200 and they will reach their destinations according to the rail schedule.

The railroad workers' strike was signalled last week when the rail and transportation enterprises' union in Podgorica called on the collective's management and the republican government to adopt urgent measures to improve the material position of about 2,850 employees in this branch of communications. [passage omitted]

Strike Continues

AU2603091293 Belgrade Radio Beograd Network in Serbo-Croatian 0800 GMT 26 mar 93

[Text] The general strike of the employees of the railroad company continues in Montenegro today. It began yesterday afternoon and was organized by their independent trade union. Due to the strike, all the trains on the Belgrade-Bar route will only go as far as Prijepolje and back. The trains on the Nis-Pozega-Bar route will only go as far as Pozega. The auto trains have been canceled, and the sleeping cars and couchettes will be disconnected from the trains.

Rising Crime, Insecurity in Montenegro

93BA0702C Belgrade POLITIKA in Serbo-Croatian 1 Mar 93 p 12

[Article by D. Becirovic: "Insecurity Even in Montenegro: Bombs as Toys"]

[Text] In Podgorica, thieves open up other people's houses and apartments like their own; the police pursue them, and sometimes even catch them.

Podgorica, 28 Feb—The public already knows that radioactive iodine has been accidentally discovered in Podgorica. According to an anonymous lawyer, two unknown people offered to sell him a stolen package

intended for Sremska Kamenica. The police are searching for them. Without success so far.

At the end of the week in the Podgorica neighborhood of Konik, in front of the "Dejzi" Bar, a certain Jasmin Karimanovic, who was rather drunk, attacked Bate Nikocecic. Then he changed his mind, went home, brought back a bomb, and threatened, "I am going to kill everyone in the bar." Mujo Nikcecic tried in vain to stop him. Jasmin activated the bomb, and shrapnel injuries were suffered by him, Zarko Devic, Branka Brajkovic, Zeljko Kostic, and Budimir Rasovic.

Even the local newspaper can no longer keep up with where all there have been shootings and who all has wounded whom. But everyone knows that weapons are drawn in a flash and that there is no security whatsoever. Yesterday morning in Murino, near Andrijevic, Vuksan Komatina, 44, waited by the road for his neighbor Radomir Garcevic, 24, and fired two rounds at him from his gun. Garcevic was seriously wounded, and doctors in Podgorica fear for his life. Before the shooting they had quarreled at a bar.

Lately in Podgorica especially, but also in other Montenegrin towns, thieves are opening up offices, houses, and other people's apartments as if they were their own. They unlock them and take primarily expensive equipment. Especially targeted at government offices are fax machines, and some do not even bother with telephone equipment; they no longer take it.

The police are pursuing the thieves and catching some of them, but many of them disappear forever. Just as for months now the police has been unable to track down a number of stolen vehicles.

Nevertheless, several days ago the Podgorica police apprehended two somewhat important burglars. They have already brought criminal charges against Vladimir G. Kastratovic, 34, and Zoran Dj. Marasevic, 33. Police suspect that they have committed nine burglaries. For example, they took electronic equipment, jewelry, and foreign exchange from the Pedje Mitrovic duty-free shop, or rather loaded a truck up with merchandise (10 video recorders, dozens of telephones, liquor, cigarettes) and broke into apartments as a joke. The police say that the stolen goods are worth 40,000 German marks. Policemen have made the owner happy and forced the thieves to return the goods to him.

Podgorica police are apparently investigating a major theft of tobacco in which some tobacco combines were involved. It appears that the chain of people involved is not a small one.

However, there are plenty of robberies and thefts while people hope that the law will finally prevail in the state, and only in that way will the government be able to gain authority.

Kosovo

Police, Military Reportedly More Active in Republic

AU2503210893 Pristina KOSOVO DAILY REPORT Nr. 59 in English 25 Mar 93

[Unattributed report issued by the Democratic League of Kosovo: "Increased Presence and Movements of the Serbian Police and Military Forces in Kosovo"]

[Text] Increased presence and movements of the Serbian police and military forces have been noticed over the last three days in Kosovo. Police patrols and units have been patrolling and carrying out controls at almost all the checkpoints in main and local roads throughout Kosovo. In some towns and villages of Kosovo, the police, in tandem with the Army undertook a series of actions under the pretext of arms searches. The police clamp-down yesterday at the Junik village, municipality of Decani, was especially brutal.

Meanwhile, over the last few days, Serbian military jets have been flying very low over the Kosovo capital, Pristina, and other towns.

Increased presence and movements of police and military followed the calls of the Serbian authorities for "energetic actions" in Kosovo. The Serbian Defense Minister General Negovanovic, during his recent visit to Kosovo, called for the "increase of defense capability." At a session of the Serbian Parliament, held last week, Zeljko Raznjatovic "Arkan," urged the Serbian Government to triple the Serbian military forces in Kosovo. Such actions of Serbia in Kosovo were announced by the Serbian Prime Minister Sainovic and the Serbian justice minister.

Parties Call For Resumption of Parliament

AU2503205193 Pristina KOSOVO DAILY REPORT Nr. 58 in English 24 Mar 93

[Unattributed report issued by the Democratic League of Kosovo: "Political Subjects Press for the Convention of the Kosovo Parliament"]

[Text] In the recent days, political subjects of Kosovo Albanians, among which Peasants, Parliamentarian, and Albanian Christian Democratic parties of Kosovo, have been pressing for an immediate conventions of the Parliament of the Republic of Kosovo, elected last year.

These parties won seats in the new Parliament of Kosovo elected on May 24, 1992. Albanian political parties that have been represented in the Parliament have been calling for the constitution of the Kosovo Parliament and other democratic institutions.